

# Nation's Business

GENERAL MAGAZINE FOR BUSINESSMEN

UNIVERSITY  
OF MICHIGAN

MAY 4 1953

MAY 1953

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new department—

## HOW'S BUSINESS?—A LOOK AHEAD

BY THE STAFF OF THE  
CHAMBER OF COMMERCE  
OF THE UNITED STATES

## TWO STEPS TO STOP LABOR MONOPOLY

BY LEO WOLMAN

## MOSCOW'S MYSTERY MAN

BY SAM STAVISKY



150<sup>th</sup>

ANNIVERSARY

Louisiana Purchase

1803--1953

SEE PAGE 38

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# nation's business

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NATION'S BUSINESS - MAY 1953

## ABOUT THIS ISSUE

WHEN the United States under the Constitution was a mere teen ager and the rim of our civilization had barely reached the Mississippi River, a commercial crisis arose: The closing of the port at New Orleans was a threat to the growth of the young nation.



President Thomas Jefferson instructed Robert R. Livingston, his envoy to France, to buy the port and some of its surrounding territory from Napoleon. He intended to safeguard commercial traffic on the Mississippi. James Monroe was sent over to France to assist, and Congress gave him a sum of money to close the deal. The result, as everybody knows, was a much larger deal—the Louisiana Purchase.

The agreements were signed in May, 1803. Thus, our cover this month commemorates the 150th anniversary of the signing of the treaty. The picture was painted by WEIMER PURSELL, professor of art at the University of Florida at Gainesville.

IN the South, the sesquicentennial celebration will continue throughout the year, ending in New Orleans on Dec. 20 with the reenactment of the ceremony by which France transferred title to the United States.

This new land more than doubled the size of the United States. Its acquisition marked the beginning of U. S. dominance in North America. The wealth incurred with the purchase has proved stupendous. CRAIG THOMPSON recently toured part of the territory and his report begins on page 38.

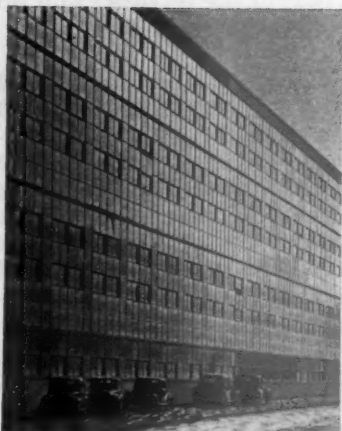
SOME of our authors do a lot of traveling. J. C. FURNAS is one. Just returned from Africa, he is brimming with exciting tales of that distant continent. The first thing he mentioned was "the village magician, way off the road in Liberia, who boiled up a big pot of water and then sat in it—still boiling—just to show he could."

Well, some people are like that, although most persons take steps to stay out of hot water. Mr. Furnas figured the people over there might have other characteristics that seem odd to us. Sure enough they do. He sat down in the shade and wrote us an article about the



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strange desires of West African consumers. It begins on page 28.

We thought it would be nice to have a picture of the author sitting on a rhinoceros, or an elephant, or camel, or an ant hill, or whatever people who go to Africa sit on when they have pictures made. The Furnases made pictures but something went wrong with the film.

Mr. Furnas blamed the dust, which got into the camera. It is



"fine, red penetrating stuff," he says. "My wife tells me that she requires six soap-and-rinses to get my shirts to where the water doesn't come out pink."

So we settled for this picture of the

author made in England before sailing to the dusty continent.

"Perhaps the high spot of our visit to Africa," the Furnases add, "was being the first Americans ever to be received formally by the Asanteman Council, which is the assembly of top chiefs of the Ashanti, the Gold Coast's toughest upcountry people."

CARTOONIST REAMER KELLER, whose comic drawings have appeared in this magazine for many years, including page 80 of this issue, does not confine all his attention to his art: He collects horseshoes. Mr. Keller classes his hobby among his serious enter-



Reamer Keller

prises. Let's take a look at the kind of horseshoes he collects.

Far from being a selfish person, Mr. Keller shares his collection with NATION'S BUSINESS, where we find the shoes make excellent paperweights.

Before the humorist started his collection, "a horseshoe meant nothing more to me than something you ran over that caused a flat tire," he says. Deciding to start

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the collection, he went to an old blacksmith to pick up a bag full. The smithy was puzzled, but worked away at the forge.

Finally the blacksmith could stand it no longer. Jumping up, he said: "That ain't goin' to work." Still bending over, Mr. Keller looked around and asked why.

"Well," said the blacksmith, "one of them shoes is for a jumper, another is for a big draft horse; that one is for a trotter, and the next one is for a cow pony. Besides, three of them are left front shoes and the other is a right rear. What kind of horse is it you got, mister?"

That was the first time the Atlantic Highlands, N. J., artist knew there were different kinds of horse-shoes. Now he is an expert on the subject, he admits, having invented a few of his own.

Take the one in the picture, for instance: It was made for a fellow with a fast horse; that's a brake on the side.

That same fast horse had trouble on curves keeping centrifugal force from throwing it over into the parked cars. So Mr. Keller made a special racing shoe that is built up on the starboard side to bank the animal on curves. Another shoe of Keller design permits horses to turn square corners.

There also is a special shoe for slow horses. It has a prod extending back from the shoe so that the animal which lifts its feet high enough in back will incite itself to greater efforts. It worked once. The



... a brake for a fast horse

horse took part of the starting gate and came in first, although the jockey was left behind.

For a friend, Mr. Keller invented an "Adler horseshoe." This model was for a pony that wanted to be as tall as a horse he was in love with.

Now Mr. Keller is working on shoes for horses with cold feet. They will be lined with fur. This, he feels sure, will tickle them.



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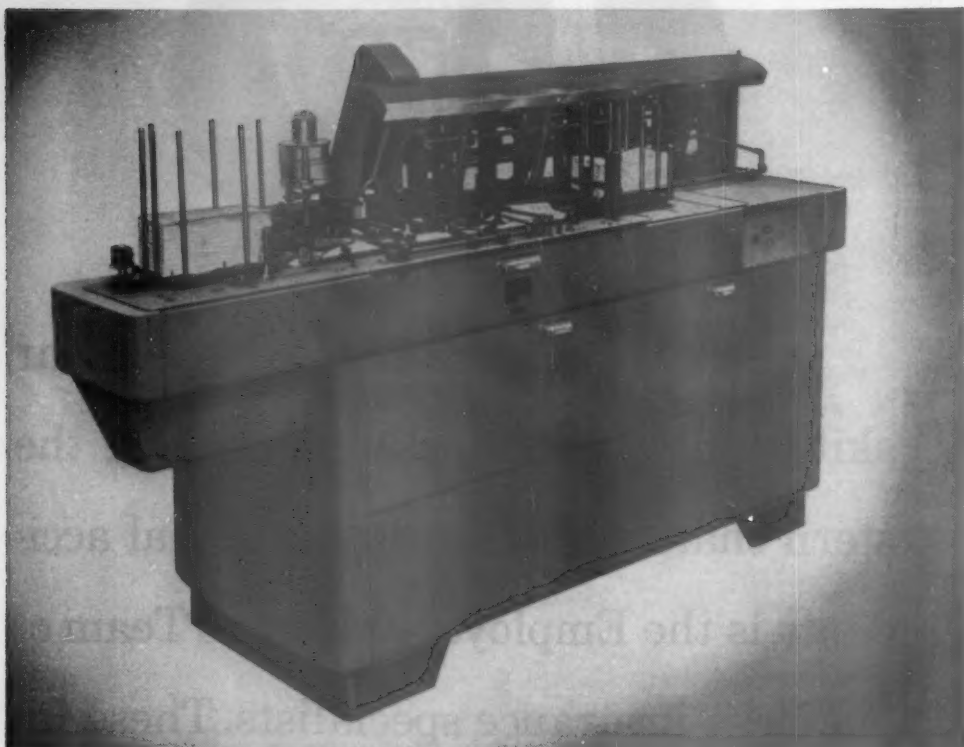
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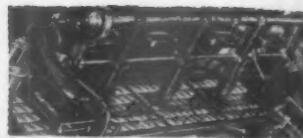
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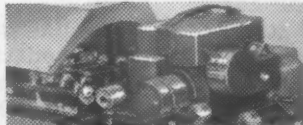
### INSERTS IN ENVELOPES

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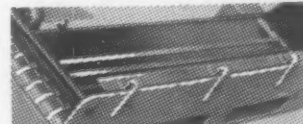
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GATHERS ENCLOSURES

INSERTS INTO ENVELOPE

SEALS ENVELOPE

PRINTS POSTAGE INDICIA

COUNTS & STACKS

► **EMOTIONAL SWEEP** across the country—not logical considerations—will bring defense cutback if real peace comes.

Top-level official Washington attitude: We want peace, will work hard, honestly with any move pointing toward it. But Russia's primary objective—world domination—hasn't changed. Only her tactics.

So Washington will give ground slowly on battle to build up the military. It sees continuing need.

Therefore any cutback will come slowly. No precipitous drop. No sudden economic interruption.

No real drop—if Washington can sell continuing need to the country. But that's doubtful.

Remember "bring the boys home" in '45? Washington knew better then. But it couldn't cope with emotion-based demand.

Note: Government never has been able to sell present build-up need to Europe.

► **DON'T MAKE MISTAKE** of assuming that defense cutback means business dip.

There would be adjustments, mostly at plant sites here and there.

But planning, effort can avoid general down turn.

Over-all it's buying power and selling power that determines business level.

There's wide open room for improvement in selling power—and not much projected drop in buying power.

Budget (pre-cut) calls for spending \$45,400,000,000 for military in '53.

Suppose you knock off 20 per cent. There's still \$36,000,000,000 in defense budget—and new room for tax cut that would restore most of the buying power lost through cutback.

Would mean fuller markets as effort turned from military to civilian goods.

But that simply means more competition, more price pressure. And lower prices are what you want, aren't they?

► **WHAT'S A BARGAIN?**

It's something you get for less than you expected to pay—and also something you buy.

You're going to get more bargains this year.

► **IS THIS BAD** for business?

Not necessarily. Example: Department store finds its sales this year are run-

ning ahead of year ago (as most of them are).

Analyze their figures and you find this: Sales of higher-priced goods—in practically all lines—are down.

But sales of lower-priced goods—particularly in bargain basement—are so good they more than make up drop in higher-priced lines.

So you can have lower prices, better business at same time.

► **BUT HOW ABOUT** manufacturing level?

It's possible there, too. Since World War II, investment for new plant, equipment—for manufacturing alone—has averaged nearly \$10,000,000,000 a year.

That means we've many more new, efficient, time-saving plants that turn out more goods at relatively lower prices.

Example: Chrysler's lead-off on auto price cuts.

► **THERE ARE SEVERAL** ways of arriving at lower prices.

One: Cut ticket amount on something made (and bought) to sell for more. Except for clearance purposes, this method points toward bankruptcy.

Another: Make (or handle) similar product made to sell for less. That doesn't have to mean lower quality.

Look over your products. In most instances you can find ways to get equal quality at less cost. That method of price-cutting leads to better volume.

So does a third: Cost savings through modern manufacture, distribution methods.

► **WHAT ABOUT HIGH** wage costs—can selling prices come down while these are up?

New machinery, new automatic industrial control systems require fewer men than older methods.

Example: New 250,000 kilowatt electric energy plant on eastern seaboard has total manpower of 85—including eight operators per shift.

Same system has another plant same size—but five years old. It requires 120 men.

Does this mean machinery replaces men? No. More plants, more men, more output at less wage cost per unit.

► **DON'T OVERLOOK** sales promotional aspects of what you have to sell. Did you



know that women's nylon hose which sold for \$1.35 to \$1.50 year ago bring \$1 flat now. It's a common item.

Did you know that in clothing—particularly in women's—there's been not only lower prices but also upsurge in quality in lines selling at old price levels?

Better needlework, better materials, better trimmings.

Better quality for same price equals bargain. If it's happening in your lines let your customers know all about it.

You can advertise bargains without slashing prices—if the story's there.

► **SALES COSTS** bothering you?

Try more emphasis on incentive—or straight commission—selling.

May not work in all cases, but here's what one sales organization found on shifting from salary to commission:

1. More sales effort brought higher sales average per man.

2. Good salesmen made more money, so had better jobs.

3. Poor salesmen dropped out—saving management job of weeding them out—and found other work.

4. Competitors' better salesmen heard of better pay, came in and got jobs.

Over-all: Better staff, sales, service.

► **MIGHT PAY YOU** to ask yourself this question:

Are you training your sales people for the job they have to do?

Conditions change—methods should be changed with them.

Chain store trained salespeople in traditional pattern—approach, display, suggestions, close, and so on.

Then it made survey, found 70 per cent of average salesperson's volume was done on only ten hours out of each week.

Shopping time was so concentrated that when it came sales training went down the drain—neither customers nor salespeople had time for procedures when most of the sales were being made.

So now it's training sales personnel to be specialists in directing customers to help themselves—in short to be specialists in polite speed-up.

► **SOMETIMES IT PAYS** not to know what you can't do.

Hardware and auto supply chain knew from previous experience that first-

quarter business always would be slow.

But its new salesmanager didn't. He put on heavy advertising, sales promotion campaign during period when old hands knew it wouldn't pay off—and increased sales for the quarter 40 per cent over year ago.

► **NOW CONGRESS GETS** down to work—on the tough ones.

It's been mostly preliminaries so far. That period's over. This month you'll see legislators get into this session's big three—spending, taxes, Taft-Hartley.

They'll cut the first two, revise the third. See "How's Business?" Page 40.

► **YOU'LL HEAR MORE** talk about possibility of cutting personal income tax by boosting exemptions.

Bills already in Congress would increase exemptions up to \$1,000 (from present \$600).

Let's look at the hole in that doughnut. Let's assume Government will insist on revenue somewhere near \$68,700,000,000 estimate, to balance budget, finance defense.

Thousand dollar exemption would cost between \$6,000,000,000 and \$8,000,000,000 in revenue.

So some of it probably would be made up. How? In higher rates. On whom? Middle and higher income brackets—you can bet your bottom dollar Congress won't vote higher rates in lower brackets.

So who would benefit from \$1,000 exemption? It would eliminate from any federal income tax at all between 2,000,000 and 3,000,000 persons now paying lowest amount.

At top end of tax scale (where Treasury takes \$92 from each \$100 income) exemption of \$1,000 would mean saving taxpayer four times that, or \$368.

Here's point to keep in mind when considering income tax methods:

Most of federal revenue in U. S. must come from persons whose taxable income is from zero to \$5,000.

That's because there are so many of them. If you cut rate in this level, make it up on others, the make-up is many times more severe than the cut—because there are so few in higher brackets.

Note: Reed bill would step up expiration of post-Korea 10 per cent rise



# washington letter

across the board from Dec. 31 to June 30. It would cost about \$1,500,000,000 in revenue. Either way, it runs out at the end of the year.

## ► BUMPING BOTHERS bureaucrats—old and new.

Here's how bumping works: New agency head decides to drop a particular service or practice, no longer has use for the 10 men at work on it.

So he gives them notice they won't be needed. Are the 10 out of government jobs? No, indeed.

They get busy finding other (still employed) civil servants who have less seniority, priority, other civil service protection than their own.

Then they bump these out of their jobs, move in. The 10 so bumped look around for 10 others even less protected—and so on and on.

One result: Each man originally fired still has a government job—and has caused half a dozen or so others to scramble around to find new government jobs, with all the attendant break-in problems, delays.

Another result: Breakdown of agency efficiency as bumpers, bumpees move through.

Example: Commerce Department's construction volume statistical series is not as sharp as it used to be.

Only 3 of 11 persons working on this series last month were experienced on the job. Others had bumped their way in.

## ► HEARINGS ON SALE of nation's war-built, government-owned synthetic rubber plant will start next month.

For first time Reconstruction Finance Corporation has come up with sales plan industry considers workable.

President's recommendation (in form of proposed legislation) is scheduled to reach Congress May 15.

Then you'll hear this cry: "If government sells synthetics plant to the big operators (and little ones couldn't pay for it)—they'll have materials sources tied up, and who will take care of the little fellow?"

That line's being talked now by bureaucrats who have Rubber Reserve (RFC) job-interest.

Here's the answer: Nation's 900 rubber-using manufacturers (200 of them do 98 per cent of the rubber business) will

get materials just as they did before Government moved into the business.

That means from big competitors, as well as from primary sources.

Rubber industry uses 2,300 chemicals, great amount of cotton cord.

So years ago they got into the chemical, cord business, to insure supplies.

So they became suppliers as well as users, developed tough competition among themselves to move these supplies into markets.

Where are the markets? Among their competitors.

## ► IS TWO-PARTY system cracking the Solid South?

Voters sent two Republicans into office in Muscogee County (Columbus), Ga., for first time since reconstruction days.

Both interpreted their elections as endorsement of two-party system.

Head of Muscogee Democrats had different view. Said he: "Nothing more than a personal victory for two fine men."

► BRIEFS: Clerical cost equals 25 per cent of production cost. That's finding of business machine maker, who says it's risen from 10 per cent in 1920. . . . Outraged Missouri civic leaders will support new state law to bar from union office anyone not a U. S. citizen, who has been convicted of a felony, or who is (or has been) a member of the Communist Party. Who suggested it? Union man outraged—as were civic leaders—by character of some of the witnesses who helped kill proposed right to work law. . . . B. F. Goodrich net income last year equaled \$7.60 per common share. Taxes equaled \$21.95. . . . National Industrial Conference Board finds only 68 formal plans for selling stock to employees. Of these, 28 are active, 20 inactive, 10 have been dropped. . . . Remember last year's textile recession? In that year U. S. exported 760,000,000 square yards of cotton piece goods, became world's largest exporter of the item. . . . About a third of union contracts negotiated in past two years provide for union shop. . . . Washington business writer (one of thousands) tells his readers: "There may be a dip in the offing." But he tells his friends he's sold his house "so I won't be caught this time like I was last time."

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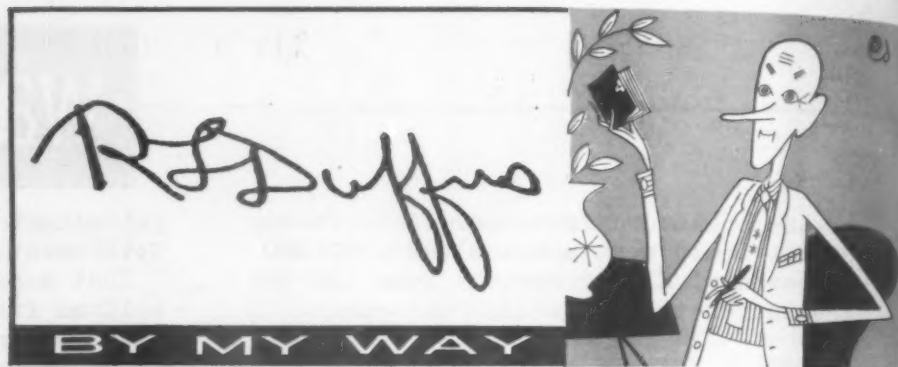
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## Dear diary—

SOMEBODY gave me a nice little red pocket diary full of interesting information as well as the usual list of days. By thumbing through it I can learn the population of United States cities; dip into weights and measures; ascertain the temperature rise of copper under certain conditions; figure out transformer reactances and impedances; make power-factor corrections; and find out quite a lot about trigonometric functions. Or I could if I were smart enough. The Westinghouse people seem to me to have put a college education into this small volume. But they put in some maps, too, and so instead of learning how to be an engineer I am thinking up new places to go: such places as Peru, Greenland, Medicine Hat, Paris, Palermo, Athens, Rome, Nigeria, Madagascar, Ceylon and New Zealand. That kind of places, I mean. As to the diary pages, they do not contain my inmost thoughts. Indeed, I have no inmost thoughts—writers can't afford them. Instead, my thoughtful wife has inserted notes about future social engagements and such, so that I don't any more even have to exercise the little memory I have. I just hope I won't lose my diary—I couldn't even begin to figure a B.T.U. without it.

## Bird trouble again

BIRD trouble seems to be spreading. I wrote in this space some time ago about British birds that opened milk bottles and drank the contents. Since then the kestrel hawk has taken to causing short circuits by nibbling at insulators on power lines—and getting off without injury. I also mentioned the habit of some American pigeons (thank goodness, they don't all do it) of sitting on TV wires and spoiling programs. I suppose there is a plan behind all these activities, but the only explanation I have at present is that birds are just nat-

urally old-fashioned; they don't like new-fangled ways and devices; and they honestly believe that what was good for their ancestors and ours ought to be good enough for us.

## Trouble, 8000 B.C.

A NEW MEXICAN anthropologist found the rib of an early inhabitant who lived in the Southwest about 10,000 years ago, and was known collectively as Folsom man. Near the rib was part of the skele-



ton of a prehistoric wolf. Dr. Frank C. Hibben, who brought these bones to light, says the wolf might have killed and eaten the owner of the rib. He does not suggest what killed the wolf. My theory is that it was indigestion. And I think such episodes as this go to show that the good old times were not all they were cracked up to be.

## Time, what's your hurry?

I AGREE with those who say that the winters aren't what they used to be. Nor the summers, either. But I am thinking of their length rather than their strength. Winter used to last forever. So did summer. The younger one was, the longer any season lasted. But nowadays I no sooner get out my long-sleeved, long-legged underwear, or something like it, than it's time to put it in moth balls again. And I have no sooner finished breaking all my New Year's resolutions than it's time to think up some new ones. And how swiftly the Weather Bureau, always alive to the swift passage of the hours, changes from one sort of weather to another; yesterday, as it seemed, the headlines said "Blizzard Halts Traffic in



Midwest," but tomorrow or next week they will say, "No Relief in Sight."

However, even at my present age there are moments when time seems to drag: For instance, when somebody is making a two-hour speech to say what could better be said in 15 minutes. Or when I have worked up an appetite and it isn't yet time for dinner.

### Down with "and/or"

AMONG persons I don't approve of, in case that makes any difference, are legislators and others who use the expression "and/or." And I don't believe the situation has been in any way improved by the action of the Georgia House of Representatives in sanctioning the shorter form of "and/or." The only use of "and/or" would be to rhyme with "candor" if a poet had to have that kind of rhyme or go out of business. I like Georgia all right. I once had some excellent turnip greens in Atlanta and I have spent pleasant hours in Savannah. But while I might say I adore the state and its peaches I will never, never say I *and/or* them.

### Can't help wondering

I WONDER if attendants in art museums become bored with pictures. At least with good pictures.



Does this affect their attitude, if any, toward television? Do those often very pretty girls who sell tickets to movies ever go inside and see a movie? Do they want to? Do the men who play in the orchestra in musical comedies get tired of them? Does the fireman who hangs around seeing that the city ordinances are observed? Or does the fire department shift a fireman from one theater to another, so that in time every fireman sees every play, and if this is the case why are not more dramatic critics former firemen? Or are they? I wonder if people who, as we say, meet the public, don't begin to wish there weren't any public. Would they feel lonesome if there weren't? I wonder if policemen think we are all potential law-breakers. I wonder if taxi drivers think all pedestrians are feeble-minded. As will be seen, I wonder

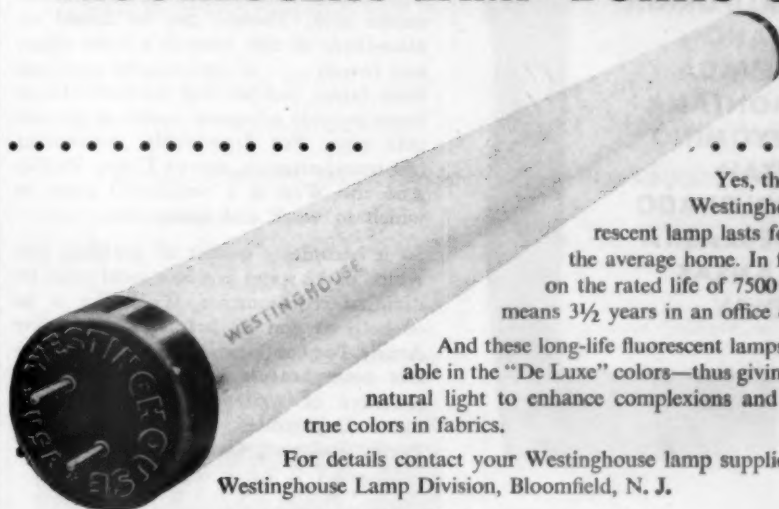
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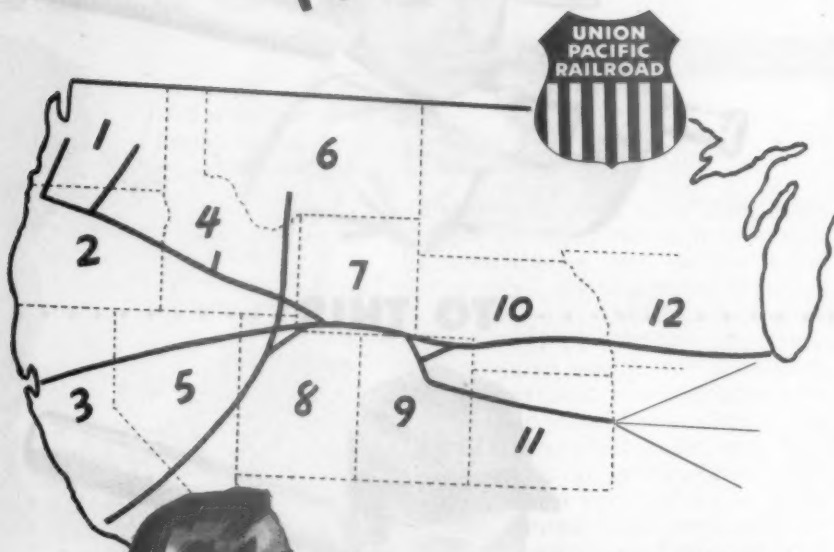
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around quite a lot. Sometimes I wonder why I don't get more work done, and maybe that is why.

### Sentiment vs. dividends

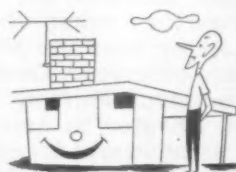
LOTS OF US railway fans get moist around the eyes when another branch line train is abandoned, as was the case with the seven-mile passenger job operated by the Central Railroad of New Jersey between Newark and Elizabethport. But you could hardly blame the Central, which had a yearly passenger revenue of \$75 on a train that cost \$4,500 to operate. Nobody owning stock in the Central would want it to invest \$4,425 a year on pure sentiment. Persons who are fanatically sentimental about trains ought to ride exclusively on trains. Then, perhaps, the automobile and the airplane would disappear. I don't look for this to happen. I don't think the buffalo will come back, either. But if there are trains that earn \$4,501 a year on a net operating and overhead cost of \$4,500 let us hang on to them.

### That sinus condition

AS ONE grows older, so I am told, the vacation problem is less a question of where one wishes and can afford to go than of what places are there that are good for what we laymen call a sinus condition and not bad for anything else. Or the other way round. But even in this there is adventure: What could be more thrilling than a battle between a human being and his sinus condition—ending, of course, in a crushing defeat for the s. c.

### House and home

AS Edgar Albert Guest has observed, "It takes a heap o' livin' in a house t' make it home." Likewise, as I thought when I revisited our own home in the country after



several months' absence and before a further absence of several weeks, a house slips back when nobody lives in it. It gets lonesome, I think. If one goes inside one finds the familiar things—furniture, pictures on the walls, views of trees, lawn and shrubbery through the windows. But something is missing: Nobody has lived there

for a while; there have been no echoes, no stir of activity; the house has just been sitting there, all by itself. This experience teaches you that you can't take any pleasant thing for granted. You have to work at it, even if it's just a house that ought to be a home.

### When the wife's away

MY WIFE had to be away for a few days, leaving me with food and facilities for cooking in case I wasn't invited out, or didn't dash out to a restaurant. It is hard to make women understand what happens under such circumstances. They don't see, for example, how a man could possibly eat cold canned tomatoes for breakfast; or make an evening meal out of raisin pound cake and two raw eggs dropped into a glass of milk; they can't com-



prehend why a man left alone won't eat his lettuce; they are baffled by his sudden preference for a completely and to them almost inconceivably unbalanced meal. They are in favor of style and would like a man to set the table, even when he is alone, and wipe his hands on a napkin, even a paper one, rather than his butcher's apron—a treasured gift from happier times. But all these symptoms should at least make them realize their own necessity if civilization is to survive. Man, in all his weaknesses and eccentricities, does realize this, and is glad when the missing lady walks in, puts on her own apron (with tucks and embroidery and things) and takes over.

### The obliging clam

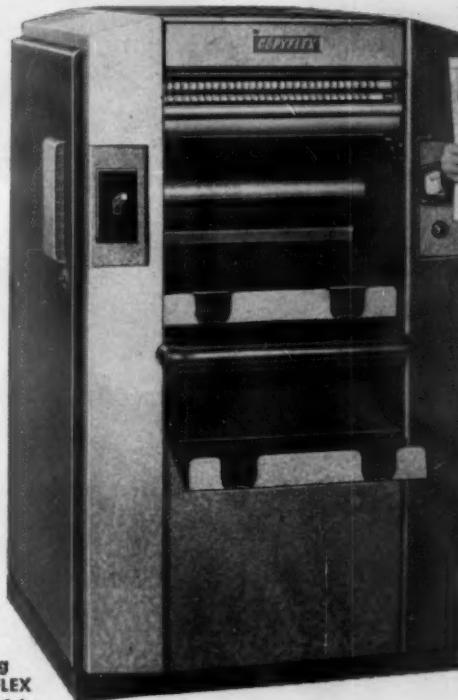
WHEN, or soon after, these words appear in print I shall have to stop eating oysters and begin eating more clams. The clam seems to me nobler and kindlier by far than the oyster. What has the oyster done to entitle him to a four months' or five months' vacation every year? The clam demands no such privilege. He may be full of mischief. He may hide when the clam fisherman approaches. But he doesn't appeal to the calendar when, after a fair chase, he has finally been captured. On the half shell, steamed, scalloped, fried, in a stew, I take off my hat to the clam.

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# OF NATION'S BUSINESS Trends



BY FELIX MORLEY

**T**HERE has been much publicity in recent weeks for two wholly different issues which have sharply divided the Republican leadership in each house of Congress. Both the Senate argument over the confirmation of Charles E. Bohlen as Ambassador to Moscow, and the House dispute over whether taxes should be reduced before the budget is balanced, were acrimonious. In both cases the desires of President Eisenhower were opposed, not so much by the Democrats as by his own political adherents.

It does not follow, as some commentators have asserted, that the White House leadership is ineffective, that party discipline in the G.O.P. is weak and that the way the tide is running the Democrats are likely to control the House, if not the Senate, after next year's elections. The rivalry currently revealed is between the White House and Congress rather than between the two major parties. It is a wholly natural development that was foreseeable and foreseen, on this page in NATION'S BUSINESS last November as one illustration.

• • •

In the last volume of his "Memoirs" former President Hoover feelingly relates the difficulties he had with Congress during his closing months in office. But when Franklin D. Roosevelt came to the White House, a little more than 20 years ago,

## THE STATE OF THE NATION

a new era began. Mr. Roosevelt's leaning toward centralized power, the difficulties of the depression period, the acquiescent character of Congress and finally the war—all these factors combined to strengthen the executive and weaken the legislative arm of Government.

Except for the Eightieth Congress this condition continued under President Truman. He, too, endeavored to make the executive branch the Government, reducing Congress to a rubber stamp. He, too, was helped or pushed in this direction by a dangerous international situation, though Soviet Russia took the place of the Axis as public enemy No. 1. Especially within his own party, however, Mr. Truman was forced to face increasingly effective opposition on Capitol Hill. Long before he decided not to run again it was clear that the pendulum was swinging back to re-establish the historic balance of power that is laid down both explicitly and implicitly by the Constitution of the United States.

Of the various checks to executive dictation which are written into our organic law, two are perhaps particularly vital. One is the supervision in the field of foreign affairs that is given to the Senate. The other is the control over governmental revenue that is given to the House. So it is due to the balanced character of our political system, not to the unbalanced character of willful men, that headlines recently have been concerned respectively with these two matters of principle.

To many the sharp criticisms of Mr. Bohlen's appointment as Ambassador to Moscow, and the

# Trends

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delay in his confirmation, seemed unfortunate. But it must be realized that the attack on Mr. Bohlen was throughout symbolic rather than personal. This distinguished career officer was deeply involved in the Yalta Agreement. That arrangement has never been submitted to the Senate for "the advice and consent" requisite under the Constitution in the case of a treaty which is to be held permanently binding on the American people. Of the other principal American architects of Yalta, President Roosevelt is dead and Alger Hiss is in jail. So it was natural, though perhaps unfair, that sharp criticism of Mr. Bohlen should flare up. Through him the senatorial critics were really attacking the evasion of the Constitution that this sweeping executive agreement undoubtedly was. Fundamentally, the attack on Mr. Bohlen was an affirmation of senatorial prerogative.

• • •

Principle is at least equally at stake in the struggle, still agitating the House of Representatives, over whether tax reduction or a balanced budget should come first. As the Constitution gives the Senate a special mandate to "advise and consent" in matters of foreign policy, so it specifies that: "All bills for raising revenue shall originate in the House of Representatives."

This "power of the purse" is obviously of the first importance, for whatever agency controls the revenue of government can, if it so wishes, control the policy of government. And this was fully realized by the Founding Fathers. Commenting on the arrangement, No. 58 of the Federalist Papers emphasizes that the House "alone can propose the supplies requisite for the support of government." That power, the writer continues (it was either Hamilton or Madison, but which is uncertain), "may in fact be regarded as the most complete and effectual weapon, with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance and for carrying into effect every just and salutary measure."

The House has always guarded this special prerogative jealously. Early in this session it rebuffed the Senate soundly for acting first on a minor appropriation for a District of Columbia agency. Without partisan division the House declared the Senate bill out of order and returned it to the upper chamber. Then the House acted on an identical measure of its own and sent that to the Senate, which has now meekly passed its bill all over again.

This same assertion of Constitutional prerogative was in the mind of Rep. Daniel A. Reed (N. Y.) the chairman of the Ways and Means Committee, when he sponsored H.R. 1 in spite of President

Eisenhower's request that taxes should not be reduced until a balanced budget is "in sight."

Mr. Reed's resolution, approved in his committee by a nonpartisan vote of 21 to 4, would simply eliminate last year's income tax increase, of about 11 per cent, on June 30, instead of waiting until Dec. 31 when this increase is scheduled to expire automatically. The excess profits tax is scheduled to expire June 30 and the Ways and Means Committee said "individuals are entitled to as prompt tax reductions as corporations."

Strong White House pressure, however, has been exerted against cutting taxes until and unless the budget for the fiscal year beginning July 1 is balanced. And as a result H.R. 1 has been held up in the Rules Committee, over Mr. Reed's continuous protest and insistence that the measure be allowed to come to a vote.

This does not mean that Dan Reed is not a loyal Republican, any more than the hostility of John Bricker and Styles Bridges to confirming Mr. Bohlen cast doubt on the party fidelity of those Ohio and New Hampshire senators. In both cases there was a higher loyalty to congressional prerogative. Eleven Republican senators believed and said that the Republican Administration could have made a better appointment as Ambassador to Moscow. Mr. Reed, and many other Republican representatives, believe and say that the best way to cut expenses is to limit the funds available to the Republican Administration. Under the Constitution senators and representatives are expected to exercise their own best judgment in these matters, regardless of their party.

• • •

And it is happily apparent that President Eisenhower sees the matter in that light. Unlike his predecessor in the White House, the new President refuses to criticize men of his own party who do not jump to attention when he speaks. This is a sign of strength, not weakness. It means that Mr. Eisenhower has a deep understanding of our system of checks and balances and considers the preservation of that delicate system more important than bulling his own way through.

When Senator Byrd thwarted the wishes of President Truman the latter asserted, publicly and petulantly, that there are "too many Byrds in Congress." When Senator McCarthy raises similar difficulties for the present Administration, President Eisenhower emphasizes that it is not the function of the White House to discipline the duly elected members of the Senate. The difference is important.

Following a civilian President who grew irritable whenever his will was crossed, we have a soldier-President who seeks freely given cooperation from Congress. That was the attitude of George Washington. Now, as then, it should bring the President more victories than defeats.





## WASHINGTON MOOD

BY EDWARD T. FOLLIARD

**C**HARLES E. (Chip) Bohlen, our Ambassador to Moscow, is widely regarded as this country's top authority on the Soviet Union. However, he scoffs when people call him an "expert."

Mr. Bohlen once offered this addition to the long catalog of famous last words: "I can handle whisky, and I understand Joe Stalin." Substitute the name of Georgi Malenkov for that of Stalin, and the ambassador's irony is brought up to date.

The point is this: Although there are many men in the United States Government who are students of Russia, and whose job it is to watch for trends behind the Iron Curtain, there are none so bold as to say that they understand the zigs and zags of Kremlin policy.

Our intelligence agents did not foresee the switch in Communist tactics, with its accompanying sweet talk from Moscow; and were honest enough to say so, without apologies. The "peace offensive," therefore, was as surprising as it was welcome to Washington.

President Eisenhower was visibly heartened by the change in Russia's tune. However, he has been extremely loath to pass judgment on the new diplomatic maneuvers. When he does venture to comment at his news conferences, he is careful to say that he is merely speculating. Like many others, Ike misjudged the Russians in the days just after World War II, thinking that they sincerely wanted friendship with the United States.

Those who advise the Chief Executive on Soviet affairs, while confessing their ignorance of what goes on in the Kremlin, think they have a pretty good understanding of Russia's motives. They are certain of one thing, and that is that Russia is not out to do us any favors. They are convinced that, while her tactics may change, her strategy remains constant; that Malenkov's Russia has the same long-range goal as Stalin's Russia—Communist conquest of the whole world.

These presidential advisers have another conviction, and it had to do with the new Russian diplomacy.

They firmly believe that the Russians hope to divide and weaken the West; to halt and perhaps

wreck the rearmament program in this country and Europe; to stir up trouble among the nations of the free world, and if possible to bring on an economic tailspin outside of the Communist orbit.

There was a possible tip-off to the change in Russian tactics last autumn, but it was overshadowed by our own presidential campaign. The late Premier Stalin, in a statement Oct. 2, said that war between the "capitalist" nations was much more likely than a war between capitalism and Communism. He said such a war would come over markets. He also said that Russia and China would step up production so that they would have a surplus of goods, and he hinted that they would try to dump these surpluses in other countries, thus adding to the economic troubles of the free world.

This suggested that Stalin was thinking even then of calling off the war in Korea and putting the emphasis on political and economic warfare.

Some observers here suspect that Russia's spring peace offensive was not, as so many think, the brain child of Malenkov, but was a legacy from Stalin. They think that Malenkov may have accelerated it, and they believe that he may have conceived of other moves to strengthen his own position at home—his amnesty for large numbers of convicts, for example, and his order cutting the prices on consumer goods.

Whatever be the true story behind the peace overtures, officials here agree that the Russian moves add up to smart diplomacy.

Many Americans—perhaps most—always have regarded the Russians as smart diplomats. They think Molotov, Vishinsky and the others have run rings around our own diplomats, and they point to the spread of Communism as proof of it.

There is a contrary point of view, which is that the Russians have been downright stupid. Those who hold such a view start out with the premise that it would have been to Russia's advantage to keep the free world disorganized and weak—as weak, say, as it was in 1946. They ask you then to compare the situation now with what it was in that first year after World War II. They go on to argue that it was the alarms set off by Russia—in the Communist seizure of Czechoslovakia, the blockade of Berlin and the

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**Trends**

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OF NATION'S BUSINESS

aggression in Korea—that aroused the United States and her allies to build up to their present strength.

Former President Truman said just before he left office that if the Russians had marched in June, 1950, at the time of the Korean outbreak, this country and its allies would not have been able to stop them.

Prime Minister Churchill always has felt that Korea was a great turning point. He said last January, when he was in New York to visit General Eisenhower, that Korea had meant a long stride toward tranquillity in the world.

"The fact that Soviet aggression has been blocked in Korea," he said, "has been the greatest event of the past five years. This has done more to improve the chances of peace than anything else."

Paradoxically, some people have been frightened by the Russian peace offensive. In Washington you hear fears expressed that the French and some of the others will let down their guard and that something will happen to prevent the incorporation of 500,000 German troops in the European Defense Army. The very reverse of that is reported from Paris. Over there officials are fearful that the American people will relax, set up a clamor for heavy tax reductions, and insist that no more money be sent to Europe for rearmament.

It may be that these fears on both sides of the Atlantic are justified (the Russians must hope so), but there are no signs here that they are.

Neither are there any signs that the Eisenhower Administration is worried about a depression resulting from an easing of world tension. I happened to be talking to a White House official the day that stock prices fell sharply in Wall Street as a result of the "peace scare." The official made it plain that he attached no great significance to the conduct of Wall Street.

President Eisenhower is determined that there shall be no weakening of America's total combat strength, and he is confident that the people will back him up in this. He hopes to reduce the Pentagon budget sharply, but he wants to do it by cutting out fat and waste, not muscle. He told us at a news conference that the decision about the size of our armed forces is one he will make himself.

There is powerful sentiment in Congress for early tax reduction, and it is conceivable that an amiable attitude on the part of Russia could strengthen this sentiment.

However, Senator Taft and the other legislative leaders have warned their colleagues against expecting to achieve tax reduction through heavy reductions in the rearmament program.

What would happen if the Russians should propose a general reduction of armaments? General Eisenhower has said that we would be glad to take up such a proposal. Asked how we could believe that the Russians would keep their word in view of their past treachery, Ike said that any agreements would have to be foolproof, calling for inspection of Russian arms as well as our own.

One thing is clear: The prospect of an economy without the prop of defense spending has no terrors for the man in the White House.

In the 1952 campaign, Ike frequently charged that the prosperity of which the Democrats were then boasting was one based on a "war economy."

"One of the reasons why I became a candidate for political office," he told the voters, "was my deep faith and unalterable conviction that we can have prosperity in America without war."

To judge from the mail arriving on Capitol Hill, Ike's stock with the people generally is way up—higher even than it was at Inauguration time. Some of the Democrats say frankly that if this situation continues they will ask for reelection by pointing out how they have supported many of Ike's legislative proposals.

Some of Ike's troubles—if you could really call them that—are of a kind that he could not have imagined when he was in uniform. He was shocked, for example, at the angry outcry that came when he decided to play golf instead of throwing out the first ball at the opening game between the Washington Senators and the New York Yankees—a decision which he later reversed.

The Washington fans, many of them at least, could not understand why Ike would pass up the great national game to chase a golf ball around.

Ike likes baseball. However, he loves golf, and it helps a lot to keep him in good physical trim. Even so he is kind of apologetic about it, and doesn't play as often as he would like to.

Occasionally, in the late afternoons, he goes out in the south grounds of the White House and practices with his iron clubs. The balls are retrieved by John Moaney, his valet. It is a great thrill for the tourists to see the President out there in his sweater and cap. They crowd up to the iron fence, and some poke their cameras through the rails and try their luck on long-distance pictures.

On week ends Ike plays at the Burning Tree Club in nearby Maryland. His partners have included Taft and other senators, and old Army cronies like Gen. Omar N. Bradley. The caddies who go around with Ike are first investigated and "cleared" by the Secret Service.

Incidentally, Ike's golfing has brought about a boom in the Washington area. Those who deal in golf clubs and other paraphernalia of the game say that there has been a decided boost in sales.



SHO  
HOU PENSIONS

# CIO WANTS EQUAL VOICE

Union would have right to share  
in critical decisions of company  
under the co-determination plan

By COLLIE SMALL



**L**ET'S suppose that you are a businessman employing 100 (or 10,000) people and that the union leader in your plant comes to you with some suggestions. He has always been a reasonable fellow with whom you have had no serious difficulties, but now he proposes that an equal voice with you be given to the workers in hiring and firing.

He also thinks it would be better if the union had the right to decide whether or not you can change your product or the location of your plant.

He further requests that henceforth you submit quarterly financial statements to the union. Finally, he asks that the union have an equal say in determining what manufacturing methods you will use, what systems of distribution you will follow, what production schedules you will maintain, and what price you will charge for your product.

What would you say?

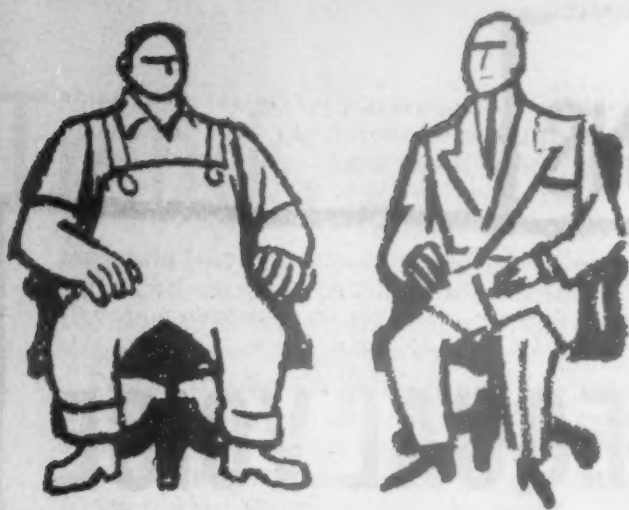
Unless you are aware of an ominous cloud which is mushrooming over Western Europe and is already casting its long shadows on the

United States, you would conclude that the union leader had gone daffy. You would remind him that the union in your plant is already protected by minimum wage laws, the 40-hour week, health benefits, paid vacations, and all the other guarantees that have stemmed from collective bargaining.

Then you would point out that he was now asking for nothing less than the right to run your business. And because the surrender of control is so obviously tantamount to the surrender of ownership, you would say he must be daft to suggest such a thing. You would flatly refuse to listen to his wild demands.

Curiously enough, the union leader would agree instantly that he is indeed asking for an equal voice in the operation of your business. Moreover, you would be wrong if you assumed he was a Communist.

He would simply be a disciple of a spreading labor movement called "co-determination," which, in its simplest definition, means the equal participation of labor and management in running a business. Alarmingly



Co-determination in its simplest form means equal participation of labor and management in operating any business

enough, it is not only gaining new momentum and winning new footholds in Western Europe, but it is now being endorsed in varying ways by many labor leaders in the United States.

Characteristically, the Communists are also endorsing the principle of co-determination—but not for themselves. They found out long ago that it won't work, but they also know it could wreck the free enterprise system.

West Germany has already felt the impact of co-determination in its most virulent form—partnership by statute—and it is from West Germany that most conclusions must be drawn regarding its possible effects on the American labor scene.

However, one thing already seems clear and has been pointed out by several observers: Co-determination, like revolution, is a protest against the past and present rather than a carefully worked out plan for the future, and as such, its potential ability to dislocate and eventually shatter the economy of a capitalistic country is awesome.

Here in the United States, there is beginning to be nervous speculation on how far labor is apt to go in pressing demands for seats at the board of director's table.

The AFL apparently is not sure that co-determination is the answer for anything that may be ailing the labor-management relationship in America, for instance, but it supports the idea for West Germany with considerable enthusiasm.

The official CIO attitude is a good deal more disconcerting. In 1947, following a previous discussion of the question at a meeting in Chicago, the CIO adopted a resolution which looks alarmingly like a dagger pointed at the heart of American industry:

"It was indicated at Chicago that the critical decisions of big business which should be brought under the democratic direction of the industrial workers through their unions, and the people of the country as a whole through their government, included minimum production and employment levels, stabilization of the rate and nature of technological change and capital investment, minimum wages and maximum prices, the annual wage, union security, the public relations and foreign policies of the big corporations, and factors like the size and

location of industrial plants which affect the daily welfare of all people."

The resolution added, "We hereby reaffirm our support of the principles of the Industry Council Plan as a sound approach to peacetime prosperity, full employment and production, and democratic participation of the people in the operation of the national economy."

That is what the CIO which has reaffirmed its belief in the industry council plan at other annual meetings, envisages for America. As for West Germany, where co-determination is already a fact, the idea first began taking substance at the time of the Weimar Republic, or at the close of World War I.

With Germany prostrate and German radicals clamoring for the Reich to be built along leftist lines, it began setting its roots, and it was still growing steadily when Hitler suddenly dissolved the German labor unions in 1933. By that act, of course, the movement temporarily was paralyzed.

Shortly after World War II, however, co-determination was resuscitated in Germany, and, surprisingly enough, with the help of the British. The latter, who had taken over the Ruhr in their zone of occupation, felt that a revival of some form of co-determination would help insulate the German laboring class against the inroads of Communism or a possible revival of National Socialism.

Consequently, the British authorities acquiesced in a co-determination law covering 24 corporations engaged in steel production in the Ruhr.

The British attitude breathed new life into the idea. Then, in the spring of 1950, the joint occupation authorities fathered Act 27, which called for a reorganization of steel companies in the Ruhr and their return to their original owners.

Fearful of losing the foothold it had gained under the British occupation, German labor immediately demanded a federal co-determination law covering the coal, iron and steel industries.

Vainly, the French high commissioner protested that French interests had long been active in the Ruhr, particularly in coal, and that if the law were passed, both the rights of French investors and the supply of coal to France would be seriously affected. John J. McCloy, the American high commissioner, remained neutral. Meanwhile, Chancellor Konrad Adenauer, opposed to the concept of co-determination, prepared to fight it.

But the pressure mounted. In early 1951, German employers offered labor a one third representation on company boards of directors. Labor rejected the offer. Not only did it insist on equal representation but it also insisted that the workers serving as directors did not even have to be employees of the company concerned. The way the co-determination law was being proposed by labor, a member of the candy cooks' union could have been appointed a director of a steel company, as one appalled observer pointed out.

Nevertheless, labor remained adamant. Having got this far, it was in no mood to retreat.

The final screw was turned by the DGB, the German Labor Federation, and the device it used was the familiar one: the threat of a general strike in coal and steel. Chancellor Adenauer argued that the right to use the strike weapon was limited to action against employers and could not be rightfully used to force legislation, but the late Hans Boechler, head of the labor federation, insisted that a strike used to force the passage of a law was not only constitutional but was an inalienable right.

The strike threat was never lifted. In the waning



days of March, 1951, the co-determination law went into its final stages of debate in the Bundestag. At this point, with the very life of his government at stake, Adenauer had no choice except to surrender. The law was passed April 16, 1951. Co-determination in Germany was a reality, and the owners of the coal mines and the steel plants got ready to make room for the workers in the management councils.

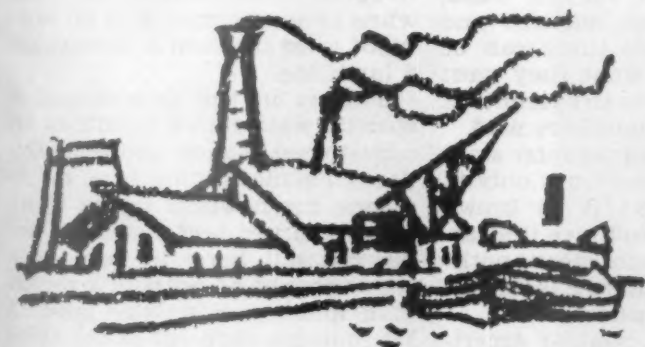
As finally adopted, the co-determination law provides that the boards of directors of each company in the three industries should consist of 11 men. Five of the directors are elected by the stockholders. Five more represent labor. Of the latter five, two are employees of the company itself, two more are from an "appropriate" union, and the fifth is appointed directly by the central labor federation.

The question of who the eleventh man would be was the tricky one, of course, since he represents the theoretical balance of power. Stockholders insisted that if the pivot man were not chosen by them, it would, in effect, mean the demise of capitalism, since people would never have sufficient confidence to invest in a company run by the workers. Labor, of course, said this was not true.

Ultimately, it was decided that if the stockholders and workers on the board could not agree on the selection of the eleventh man, a conciliation committee would be appointed to propose three candidates. However, this committee would also consist of an even number, two from labor and two from management, and thus the deadlock problem was simply extended to a second level.

It was then agreed that if the deadlock in the conciliation committee continued through two slates of three men each, the whole matter would be submitted to a federal court. As things stand now, the eleventh man is finally elected at a stockholders' meeting if the court sustains the objections put forward against the various candidates. If the court feels the objections are not valid, one of the four-man conciliation committee's nominees must be appointed.

Thus management was able to obtain at least one concession, inasmuch as the critical pivot man can, under certain conditions, be elected by the stock-



Union objective here is gaining footholds in Western Europe aided by Communists who see it as a threat to free enterprise

holders. But the election of the right man, as far as management is concerned, depends on a woefully tenuous chain of conditions and events. And even under the best of circumstances, the stockholders can hardly be said to be in a commanding position if they have a margin of only one vote on the board of directors.

Let one or two directors representing management miss a board meeting and they might wake up in the morning and find that the company had suddenly taken on a whole new character. In fact, the only comfortable ledge on which management can still rest is the dividend ledge. Under German law, dividends are voted by the stockholders, not by the board of directors.

With co-determination accomplished in coal, iron and steel, it was inevitable that labor would press for similar participation rights in other industries. Consequently, no one was greatly surprised when a second law was passed last fall in the Bundestag, providing with certain exceptions for the extension of co-determination generally throughout West Germany.

There were, however, two important differences between the second co-determination law and the original law applying to coal, iron and steel. One was that the new act provided that only one third of the members of the board of directors were to represent labor.

The second difference lay in the fact that, under German law, there is a three-man management board in each company under the board of directors, the management board being responsible for the day-to-day operation of the business. The three-man board, no member of which can be a member of the board of directors, consists of a sales specialist, a technical specialist, and a labor specialist. In coal, iron and steel, labor designates the labor specialist, while the labor representatives on the board of directors have an equal say with the stockholders' board representatives in the selection of the other two members.

Under the second co-determination law, labor was not given an absolute right to representation on the management board, and since labor had only one third of the votes on the board of directors to begin with, labor can not control the management board, or, in other words, the day to day conduct of the company.

Because the major employer groups in West Germany had seen the handwriting on the wall and had begun endorsing the principle of diluted co-determination to save what they could of their dwindling authority, labor was caught nodding when the second law was passed providing for only one third participation.

It did not, however, take long to realize what had happened.

Protesting vehemently that they had been sold out, the trade unions took new aim on the embattled Adenauer government and threatened to use what they called "every democratic means" to get the law changed to conform with the co-determination law for coal, iron and steel. This, of course, presages a new general strike threat with the possibility of a crippling work stoppage if labor's demands are not met.

And in any case, the Adenauer coalition's chances in the next elections may have been seriously hurt, and the cooperation between the government and labor has, at this writing, come to an abrupt end.

One is entitled, of course, to ask just how well or just how badly co-deter- (Continued on page 92)

## THE WORLD'S



# CHOOSIEST CUSTOMERS

*West Africans can be counted on to want the unexpected thing—soap as fish bait—liniment as a beverage—perfume for flavoring sugar cubes. And desires can change overnight*

By J. C. FURNAS



**A** CERTAIN Scottish brewery exports a heady bottled beer that is popular in Sierra Leone, next-to-northernmost of the British colonies in West Africa. Anticipating the coronation of Queen Elizabeth II, the brewery recently put a patriotic note into its usual drab label with crossed Union Jacks. Sales in West Africa died overnight. The United Africa Company—the Unilever subsidiary which, with its sub-subsidiaries, is the biggest frog in the West African puddle—hastily advised the brewery to restore the old label quickly or abandon business in West Africa.

It wasn't politics. Many West Africans are loyal to the Crown. Trucks and shops often display pictures of the Royal Family. The

cause here was the cantankerously unfathomable nature of the West African consumer—the original customer who accepts no substitutes, except on Tuesday and Thursday, that is.

He inhabits the various colonies, mostly British or French, lining the overhang of Africa between the sea and the interior desert, whence came most of the American Negro's slave-ancestors.

West Africans are hard to generalize about. They include many distinct peoples—Mende, Kru, Ashanti, Ibo, Yoruba, Mandingo and so forth—of varying build, skin color, religion, customs and crotchets. But one thing can be said: They know what they want when they want it to an extent that could drive merchandisers mad.

Some West Africans prefer stout to beer, for instance—but only in green bottles. Put it in brown bottles and you can't give it away. Elsewhere bottle color means nothing. The only sound rule is that no rule applies everywhere.

Rolled oats of a popular American brand were once a great item in Sierra Leone. When World War II cut off supplies of it, Sierra Leoneans refused available oats with a different label and got so far out of the oats habit that now they won't buy the original brand either. Whereas in the Gold Coast, only a few hundred miles farther east, the old brand came back booming after the war.

The West African shifts his affections with arbitrary and dis-

maying speed. This year the Gold Coast is crazy for a certain British bicycle. The Ivory Coast, French colony next door, is equally crazy for a competing British make. That may go on for years—or next year, for no discernible reason, everything can go hog-wild and vice versa, leaving importers in both places loaded with the wrong kind.

Sierra Leone has such mass movements to and away from competing brands of cheap vermouth for spiking the native tippie of fermented palm sap. The point is not that public taste changes, which happens everywhere, but that when change comes it is an overnight cross between a boycott and a landslide.

Traders in the undeveloped or spottily westernized countries are accustomed to queer problems. One South Pacific trading firm, for instance, got nowhere trying to sell canned corned beef instead of traditional salt horse in kegs—until they thought of putting a picture of a missionary on the label. A Micronesian autocrat of the 1880's used to astound traders by refusing genuine French cognac in favor of paying more for a villainously fiery imitation that he had come to love. But United Africa—UAC for short—and its four or five British and French principal competitors are probably right in believing that theirs are the choosiest customers in the world.

Their finickiness ties in with this being primarily a luxury trade. Most West Africans are country





*Along the Gold Coast bright patterns like these are in demand*

*Designs of cooing birds make this young woman's frock fashionable*



*Sewing machines must be painted black. Efforts to pretty them up with colors arouse suspicions*



NILSSON—BLACK STAR

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## CHOOSIEST CUSTOMERS

*continued*

*A few articles, such as kerosene lanterns, are forever in demand*

folk who make their own dwellings of poles and mud. They like corrugated iron roofing, but, if it costs too much or something else attracts them more, they can make do with homemade thatch. They drink their own palm wine and sometimes distill it into moonshine. They raise their own tobacco, if pushed, eat their own rice, corn, cassava, fish, goats, palm oil and fruits, and need far fewer clothes than they like to wear.

Iron and salt are the only basic items that the home place usually cannot produce. Kerosene, matches, needles, thread and soap might be classed as imported essentials—though the West African knows how to make his own soap out of palm oil and wood ash, and has always bathed twice a day. But most of the other thousands of items that the big importers jostle to fetch him would not be missed in a pinch.

Annual imports consumption is

a large chunk of business—maybe \$400,000,000 a year. (The figure can't be too definite because the West African is a confirmed smuggler and sizable quantities of stuff landed on his coast—specially corrugated iron, sewing machines and odd hardware—get into the French colonies to the north without the formality of paying duty.) But the scale of desire would not alone account for Unilever's maintaining the complicated UAC organization.

Unilever's primary interest is soap and margarine. UAC exists because the international soap and breadspread industries need West African palm and peanut oils. Further, the world is increasingly eager for West Africa's cocoa, diamonds, iron ore, gold, timber and aluminum. So Unilever's patient catering to the West African's whims with nonessential but pleasurable tea and talcum powder, beads and beer, comes from its ardent wish to keep him bringing

to market palm kernels, cocoa and surplus peanuts. UAC frankly admits its stock-in-trade is "inducement goods"—i.e. bait. It has to be the right bait or, most literally, no soap.

Headgear illustrates some angles. The West African needs no hat, indeed wore none before the Portuguese opened up his country in Christopher Columbus' time. The tropical sun gave him no more headaches than it now does the Briton who, after inventing the sun helmet, has abandoned it of late years. The pigment in the West African's dark skin protects him from ill effects of the sun's rays.

Yet the West African often buys and wears a sun helmet, perhaps because it has become the thing to do. His hat is, in fact, a precise equivalent of the western necktie—useless but conventional.

In Sierra Leone, where hats are especially must, men wear every type of head covering except the old-fashioned sunbonnet. Moslems



wear skullcaps or fezzes. Pagans or Christians go in for sun helmets, berets, caps, felt fedoras, tengalloners, Tyrolean pots, knit tam-o'-shanters, slouches turned up on one side Australian army style, things like the pouched liberty cap of the French Revolution, and the old-time straws of the Uncle Silas variety. Importers like UAC—or the Société Commerciale de l'Ouest d'Afrique or Paterson, Zochonis & Company—supply all those new or secondhand so the African will feel more inclined to get up those ground nuts—peanuts to Americans.

African demands have further refinements. To me, you or a Shriner, a fez is just a red felt flowerpot worn open end down. The West African likes it red sometimes—or brown or gray or green or blue. He may want it with a brass ventilator or a felt spike on top or with a tassel down the side, black or gold according to fancy, or with fussy embroidery in front. He may, however, prefer a baseball cap, parti-colored green and red, or a tam-o'-shanter of a shrill pink, that looks fine against his dark skin. His skullcap may be of lavender chenille or scarlet felt with silver scrambled eggs in front.

He is just as choosy about his singlets—what we call T-shirts. Plenty are sold in white, or black—for the farming season, so as not to show dirt. But louder variations make the gay blades of America look drab by comparison—red and white stripes eight inches wide, horizontal convict stripes of purple and orange are two designs.

Length of sleeve, placing of buttons at the throat, set of or lack of laydown collar, are all critical issues. Designers and buyers in Britain, France, Belgium and Switzerland who supply the big importers are always balancing precariously between irresistible novelty and what the younger set is wearing in the particular part of West Africa in question.

Unexpected influences are always cropping up. Old-line importing firms are uneasy about the current self-government movement in the Gold Coast. But for the time being it has boomed sales of cotton textiles because more and more Gold Coasters are expressing their nationalism by reverting to the old native style of dress—a six-yard length of bright cloth draped with one arm and shoulder bare, like a Roman toga. It handcuffs the wearer about as effectively as a strait jacket and requires constant shuffling and hitching to keep it in place. But it is a stately and picturesque affair, and its every appearance means an increase in yardage imported.

Some import items are quite steady. Secondhand women's coats from Britain and the States sell well to West Africans of both sexes who get chilly during the annual rainy season. Cow barn-type kerosene lanterns are always in demand. The four-legged iron "Danish pot" in which Africa has boiled rice since the early slave trade never varies in design or popularity.

Altering design, in fact, would be bad judgment. The West Afri-

can "matchett"—local equivalent of the Latin American machete, for all chores from mowing weeds to cutting up trees—must always have three useless grooves along the blade. The Sierra Leonean likes to save a few pence by buying it unsharpened. The better-off Gold Coaster buys it already edged by machine. Yet neither will look at a matchett that lacks those grooves.

One upcountry Gold Coast tribe has always used a disk-hoe—an eight-inch, light-gauge steel plate, set adz-fashion in a back-breaking

(Continued on page 72)

*Some bicycles sell well while others quite similar can't be given away*



MAGNUM

*Some Africans will wear pretty shoes. Others plod on as grandmother did*



*One tribe refused to buy a new kind of hoe even though it was cheaper*



EUROPEAN

# 2 STEPS TO STOP LABOR MONOPOLY

**A** FARSIGHTED and wisely led labor movement would hesitate to add to its already great powers, lest their abuse inspire more stringent and far-reaching regulations than we have yet had.

That was the history of the Wagner Act and it might well be the story of a new statute which undertakes to augment union power instead of curtailing it.

American trade unions have become instruments of force, compulsion and monopoly. Labor leaders have accomplished this by taking the law into their own hands, and with the assistance of careless legislation and an administration which made them special beneficiaries of the authority and power of the state.

The task of reforming unionism is by no means simple and easy. Concerning the purpose of public policy, there ought to be little doubt: It is to convert

## Stripped of coercive powers,

unions into the voluntary associations they were always presumed to be.

Stripped of their extralegal coercive powers, unions would become law-abiding organizations capable of performing the legitimate functions for which they exist. Their prestige and authority would depend on the services they render, the wisdom of their policies, and the extent to which they would be able to keep the peace.

To assume that the rank and file of American labor can be held in line only through force and compulsion is to underestimate its capacity for self-government, its intelligence and understanding of the sources of our prosperity and liberty.

The question of labor monopoly is many-sided. About all of its sides there is, naturally enough, considerable difference of opinion. Observers, both professional and lay, differ as to whether labor unions enjoy the power of economic monopoly and, if they do, whether they use it effectively.

On the definition of this special kind of monopoly, there seems to be little agreement. Assuming that labor monopoly does exist, it is easy to find violent disagreement over its virtues or evils, since many consider a state of monopoly superior to what they believe to be the conditions of a competitive labor market.

On the record, the evidence seems overwhelming that labor unions, when they are extensively enough organized, possess the monopoly power characteristic of any economic combination. In the steel industry, for example, the CIO United Steelworkers union has for all practical purposes eliminated competition in wages, both by plant and region. In this industry it is today hardly possible to speak of competition for labor by nonunion firms. Much the same can be said about the automobile industry, or coal mining, or even the better organized branches of the clothing industry.

Of the great manufacturing industries of the country, textiles stand almost alone as one in which nonunion competition is still an effective force in determining wages and working conditions.

Another equally convincing piece of evidence of the existence of labor monopoly is the capacity (frequently exercised) of numerous unions to withdraw the labor force of an entire industry, or of large segments of it, and to keep it out of work until satisfactory terms of employment have been reached. Unions which have the power to control the labor supply of an industry may not necessarily use their power in this way.

Union strategy will determine whether it is wiser and more effective to strike the whole industry at once or to stop it a little at a time. This has obviously been the strategy of the CIO United Automobile Workers.

The United Mine Workers, on the other hand, have on a number of occasions shut down the entire bituminous coal industry, but the union also has considered closing the southern coal fields while permitting the northern fields to operate. Last year



## unions would have to depend, for prestige, on services rendered

the CIO Oil Workers union attempted to effect a national stoppage of the petroleum industry. Although not altogether successful, the union did manage to stop a large share of the industry. Since the strike, the oil workers have been pursuing efforts to achieve unified action by the AFL, CIO and independent unions, which together comprise a very large segment of the industry's work force, perhaps more than 80 per cent.

In many American industries, labor monopolies are local, not national. This is the situation in building, where economic competition is predominantly local or regional. It is also the case with local public utilities, providing fuel, light and power, or the docks of a municipal port, or, as in New York harbor, the services of tug men. It has been strikes in such critical services—on which the health of great aggregations of population depends—that have led in recent years to the enactment of state laws intended to bar the cutting off of such essential services by methods ranging from compulsory waiting periods and fact-finding boards to outright compulsory arbitration.

It has been observed that the effects of monopoly within an industry may be nullified by the rise of new industries providing the same or similar goods or services. The railroads are a case in point. In this industry the monopolistic power of the railroad brotherhoods, the unions of train service employees, was for a time certainly limited by the competition of new forms of transportation—first the truck, later the airplane. But as a result of the federal laws and policies adopted after 1933, unions spread so rapidly that today all transportation—rail, water, air and road—is thoroughly organized and differential advantages due to lower wages and less onerous and expensive working conditions are tending to disappear.

This is true not only of transportation but of the country's whole industrial structure. It means that labor is becoming increasingly and progressively monopolized.

It is to be expected that developments of this type in unionism should at times be obscured by underlying changes in economic conditions. Most of the unions which currently hold sway over nationwide industries were just beginning to get on their feet about 1937. Hence the period of their maximum prosperity and power has coincided with the years of war and postwar inflation when wages and prices would have gone up anyhow, and the strength or weakness of organized labor would seem to have little to do with the matter.

While close analysis of recent events and the prospects for the future hardly support this position it is easy to see why it is widely held. For, just as the weaknesses of unions were blamed for the length and depth of the depression of 1929-33, so the policies of strong unions since 1941 are deemed by many to have accomplished no more than to

obtain for their members that share of the mounting national product or income required to perpetuate prevailing high levels of economic activity.

Viewed in the long run, however, the developing monopolies of labor reveal much the same features as have long been associated with monopolies of business. Both contain strong coercive elements. Their aim is first to limit and then to eradicate competitive influences.

More and more frequently their objectives tend to clash with the public interest. As each of these forms of monopoly is more firmly established, it becomes increasingly dedicated to methods of restricting output and entry.

The coercive behavior of strong labor unions is well known. Both during and after the war, local and national stoppages of work, initiated and managed by unions, aimed through the creation of public discomfort and danger to force concessions from employers, or from the Government itself, which they would not otherwise have made.

It was a succession of such episodes that brought on the Smith-Connally Act during the war, the emergency strike provisions of the Taft-Hartley Act in 1947, repeated intervention by the executive branch of the Government in a series of railway labor disputes, and the enactment of state laws—all intended to subject these manifestations of union power to some semblance of control. It is clear from this record that only the assertion of public authority, local and central, could have avoided a state of disorder and private tyranny.

There is no less coercion in the relations of unions to their existing and potential members. Force and compulsion play a large part in bringing into unions the men and women over whom the union claims jurisdiction, in keeping them there once they have joined, and in subjecting them to the necessary discipline in the course of strikes.

Picketing is one of the most potent weapons of organized labor. In important labor situations it is rarely a device for peaceful notice, argument and persuasion. As a rule, picketing is charged with violence and intimidation—at the scene of the dispute, at the homes and in the neighborhoods of employees, and on the highways they travel. That is why there have been the long and probably endless controversies over the use of injunctions, which have proved in practice the only swift and effective remedies against force and compulsion.

**T**HE campaign organized labor is now waging, against the use of injunctions in strikes affecting the public health and welfare and to prohibit the secondary boycott, affords ample evidence, if such were needed, of the effectiveness of this measure in safeguarding public and individual rights. The odium which attaches to the labor injunction has been the result of long and skillful propaganda designed to discredit a lawful remedy which the unions themselves do not (Continued on page 88)

# Moscow's

**T**HE ACCESSION of Georgi Maximilianovich Malenkov to the throne of Stalin came as a surprise not only to the American public, but—what is startling—to the American Government as well.

The public had never heard of Malenkov, but our Government had. Yet, for all of its vast resources and far-flung intelligence network, for all its concentration on the U.S.S.R., the American Government was in no position accurately to predict, as Stalin lay on his deathbed, who would succeed the Soviet dictator, or how.

The best that Uncle Sam could do—as demonstrated by the Voice of America broadcasts to the satellite peoples behind the Iron Curtain—was to talk vaguely about a scramble for power. And the next day, when Malenkov seized the scepter without so much as a murmur of opposition, the Voice ventured that a prolonged struggle for power may yet be in the works.

The fact is that so far as the United States Government was concerned, speculation as to Stalin's successor was useless. We did not know. We know as little about where Stalin's successor is going, what effect he may have on our nation, our lives.

Even today we do not know if Malenkov is the real boss of Russia, and if not, who is. We have some of his speeches, but we don't really know what he thinks, for Malenkov quoted only the party line, and the party line was Stalin's thinking.

Malenkov ascends to the throne of a Red Russia greater, more powerful, and more ambitious than even the czars dreamed of, an empire of 300,000,000 Russian and satellite peoples, allied to 475,000,000 Communist-dominated Chinese. He takes over the master switch of a secret Communist apparatus whose tentacles penetrate every part of the globe. He assumes command over the biggest military juggernaut in the world, and di-

BY SAM STAVISKY

SOVIET



# Mystery Man

*Only the Kremlin brass  
knows what Georgi Malenkov  
is like. The rest of the  
world is as ignorant of  
his intentions as it  
is of his past*

rection over an industrial machine second only to Uncle Sam's.

Yet we know little about him. The western world knows little about him. The Russian people and their satellites are equally ignorant. Malenkov is a man nobody knows—except among the top men of the Kremlin.

What little we do have on Malenkov reveals him to be tough, ruthless, relentless; a fellow who never questioned his superiors, but instinctively knew which to curry favor with, and which to stick a knife into. He deliberately set a course to follow Stalin's path to power.

He appears to have succeeded in this.

What little information we do have on Malenkov reveals that even behind the Iron Curtain, this short, five-foot-seven, 250 pound, grapefruit-faced, high priest of Communism first came into the public eye a dozen years ago.

That was in February, 1941, when Malenkov made his initial major party speech. In it, he denounced the "windbags," the "time savers," and the "ignoramuses" in high places who were failing to meet their production quotas and goals.

It was only then that the party underlings, inside and outside of Russia, recognized that scowling, sharp-nosed Georgi was no mere party functionary parroting the party line, but a protégé of Stalin himself. For only Stalin could sanction so blasphemous a blast against the Old Bolshevik commissars by a comparatively unknown party member of 39. The sulphurous speech was Malenkov's; but the words were Stalin's. So was the sacking of high-ranking bureaucrats that followed. Even such hitherto untouchables as the kin of Politburo members (who made up the Kremlin's inner circle) were swept out of position and power in the ensuing purge—among them

the wife of Molotov and the brother of Lazar Kaganovich.

Seven years after this debut, roly-poly Georgi began to loom as a serious contender for Stalin's crown. That was in 1948 when Malenkov bounced back, after a two-year eclipse, to pull the rug out from under his bitterest foe within the party, Gen. Andrei Zhdanov, then Stalin's closest lieutenant. As the hero who stopped Hitler at the gates of Leningrad, Zhdanov was the most popular party figure in the Soviet, second only to the Marshalissimo himself. He was generally regarded as heir-presumptive.

Nonetheless, Malenkov managed to manipulate Zhdanov's only son, Yuri, into public disgrace, shaming his archenemy at the time that Zhdanov, as chief architect of the Cominform, was being held responsible by the Kremlin for Tito's defection that year.

It appears that Yuri, a scientist, got involved in a long-drawn scrap with a colleague named Lysenko, a biologist. Lysenko had held for years that acquired characteristics, resulting from environment, were transmittable to succeeding generations through inheritance. Yuri argued that such a theory was scientific tommyrot—a view held by the scientists of the free world. Of a sudden, the party seized Lysenko's line as fitting in with its own ideas of the Communist world of the future. Yuri Zhdanov was branded heretic and forced to recant. Malenkov is credited with this Machiavellian stroke.

Zhdanov, his star on the wane, died a few months later under mysterious circumstances. Malenkov, having regained the favor of the master intriguer in the Kremlin, shot up the Politburo ladder to the No. 3 spot, next only to Stalin and Molotov.

In January, 1952, the party press put Georgi's porcine features all over page one in celebrating

Malenkov's fiftieth birthday, hailing him as "Stalin's co-adviser." It looked then as if Malenkov were by-passing Molotov. In October 1952, the nineteenth congress of the Communist Party received its principal address not from Stalin, as usual, but from Malenkov. There now appeared to be little doubt that Georgi was the crown prince in the eyes of the aging Stalin.

In March, 1953—two days after Stalin's announced death—the 51-year-old pupil Malenkov was named by the Kremlin to step into the master Stalin's boots as head of the government and boss of the world Communist apparatus.

Only time will tell whether Malenkov—who for years has been aping Stalin's military tunic and simple Russian cap—can fill, as well as wear, the boots of the man who ruthlessly liquidated all rivals and opposition, established himself as absolute dictator over his people.

After the great purge of the mid-1930's, when Stalin literally extirpated every vestige of opposition, the party line began to build up the Vozdh (leader) as the greatest general, teacher, scientist, genius, hero, etc., of all time. Such a build-up permitted no competition whatever for public acclaim. Thus, while Stalin was being glamorized, the party press played down and even depersonalized the secondary big wheels.

As a result, although Malenkov was known to the party's officialdom as a pitiless hatchetman and devoted lieutenant of Stalin, he was virtually unknown to both party and people as a person.

Diplomats and correspondents in Moscow, who dubbed him "Fat Boy," have managed to cull a few kernels of fact on the human side of Malenkov: He's a prodigious worker, of indefatigable energy, who chains himself to his desk in the Kremlin days on end with little

*(Continued on page 84)*



# RUSSIA CALLS IT...

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America is the  
gracious giver of doles  
to resentful nations  
that would rather  
pay their own way

By **VERGIL D. REED**

**W**E CAN'T have our cake and eat it. The tragedy—in our foreign trade—is that we're giving our cake away, then paying for it. We lose both the cake and the money. We can't eat the cake and the money comes out of the taxes you and I pay. Even Alice in Wonderland would be sorely puzzled by this.

The people of other countries think it's very strange too. In fact, it worries them. They think there must be concealed strings attached to such strange and foolish gifts. They question our motives. They are frankly suspicious. They can't imagine Americans being so unrealistic as to give away their goods at the expense of American taxpayers—and refusing payment when they offer or even demand to pay us in goods in order to keep their own people employed and self-respecting.

An overseas business leader wrote me a long letter asking for an explanation of our strange doings. How would you have answered this?

"FOLLOWING a discussion with an economic expert I was told the astonishing fact that American foreign trade costs the American economy about \$8,000,000,000 a year (the surplus of exports over imports). The federal Government is responsible for the payment of this amount, which comes to nearly 20 per cent of American taxes (based on 1947 figures). I wonder whether the American taxpayer, corporate or personal, realizes that each year taxation amounting to about a fifth of the total collected could be saved if foreign trade were balanced.

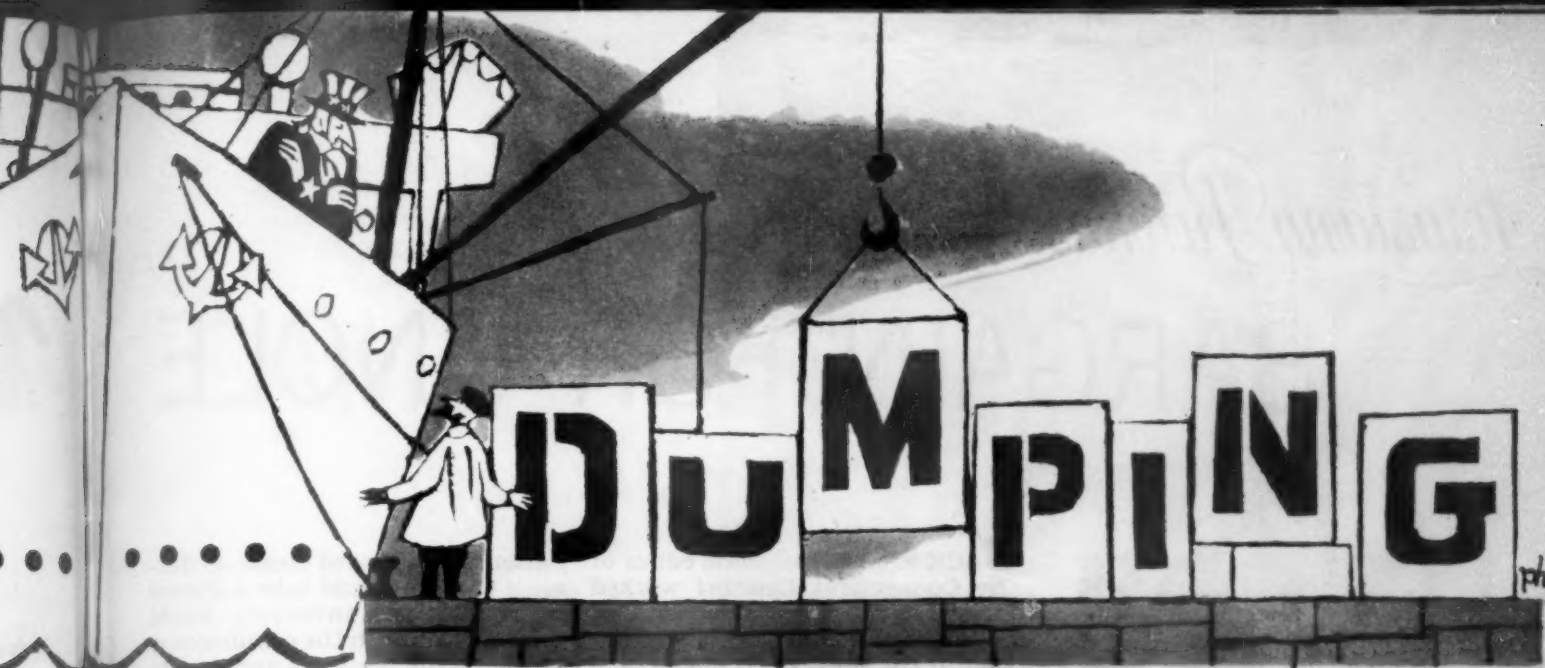
"They say American export trade benefits labor and provides profit for industry. But this can only be so if exports are paid for with shipments of goods in return. It cannot be so if exports are paid for by the U. S. Treasury with money from the taxpayers.

"Therefore it stands to reason that the U. S. economy is worse off than if no foreign shipments had been made. The economy worked for nothing and the taxes used to pay for exports helped to depress the domestic market. Result: The more Americans export, the less they sell at home.

"Not only countries and industries, but everybody exports in order to be able to import. If people were told that they could continue to work but would get no pay, they would stop working on the spot. Nobody wants to export without importing. This is a fundamental economy of an individual. To live, imports and exports must balance.

"If America is not going to balance its foreign





trade by increasing exports, she might as well cut exports. In the interest of world economy this might be a good idea because a decline in American exports would help to cure the rest of the world's dollar shortage.

"It surprises me that American business, wide awake as it is, has not done more about making foreign trade pay its own way.

"Why does America lose \$8,000,000,000 a year on foreign trade—it sounds crazy to me!"

DOESN'T it sound crazy to you, too?

The Russians call this dumping. They tell those countries that Russia will be glad to buy the goods we refuse to take, and that "the U.S.S.R. is the real defender of free trade based on equality between nations." How would you explain that one to a French or Italian labor leader, manufacturer or just plain citizen?

The cost of exports to our taxpayers from 1914 to 1950 was \$78,000,000,000. During that period exports amounted to \$300,700,000,000. Imports cost us \$191,000,000,000.

The difference was made up by private remittances and donations, \$11,700,000,000; flow of private capital, \$12,200,000,000; gold and liquidation of American holdings, \$11,900,000,000; International Monetary Fund and World Bank, \$1,300,000,000; and grants by the U. S. (taxpayers' money), \$58,400,000,000.

The balance of \$14,200,000,000 came out of government loans of \$19,600,000,000 (again taxpayers' money), now largely defaulted.

Thus \$78,000,000,000 (\$58,400,000,000 in grants and \$19,600,000,000 in loans) from 1914 through 1950 either came directly out of the taxpayers' pockets or was added to the national debt to be paid later in taxes—to subsidize our exports.

These figures do not include construction and operating subsidies for our overseas transportation services nor subsidies to farmers for goods later dumped abroad at great losses.

Just how much is \$78,000,000,000? It is more than the value of the land and buildings of all of America's farms. It is about twice the combined values of all the livestock, machinery, motor vehicles and stored crops on all of America's farms. It is more than the value of the combined shipments of 45 of our largest industries in 1947—the latest year for which we have a Census of Manufactures.

The United States is really very young as a great manufacturing nation. We completed our change from an agricultural and raw materials producer about 1915.

Until then our creditors abroad were urging us to export more to pay our debts to them. We owed for the goods and services we bought, for the capital we had borrowed to develop our country, and for the interest on that capital. Pressure by our creditors caused us to increase rapidly our exports of farm products, raw materials and manufactured goods. In producing goods and services to pay our creditors, our employment and standard of living were increased. The respect and trust of other nations for us grew. Pushing hard to increase our exports then was sound, sensible and highly desirable both for America and other nations.

Then, about 1915, the world—and our place in it—changed radically. We became a creditor nation. The shoe should be on the other foot but we forgot to change it—or have refused to.

As the largest creditor nation, we should be urging our debtors to export to us to pay their debts. Nations now owe us for the goods and services they have bought, for the capital they have borrowed from us to develop or reconstruct their countries, and for the interest on that capital.

WHAT we're really doing under these changed circumstances is neither sound, sensible nor desirable for America or other nations. Instead of urging our debtors to pay us with their exports, we refuse to let them pay, then give them our tax dollars to obtain more.

We play a combination of Santa Claus and the gracious giver of doles to a resentful world which would prefer to make its own way. To help other nations to help themselves is one thing. To prevent their doing so under the false label of generosity is another.

A high level of exports and imports is essential to a prosperous and balanced economy in the United States. It is even more essential to many countries where either exports or imports may amount to 50 per cent or more of the national income, and where sheer survival depends upon uninterrupted trade.

Although our exports amount to an average of only about seven per cent of our national income and imports account for approximately five per cent of it, this trade is far (Continued on page 76)

*Louisiana Purchase* proved to be a real

## BARGAIN FOR UNCLE



STANDARD OIL



BRADLEY SMITH

Part of New Orleans's industrial attraction is its modern port that serves sea and river trade

**B**ACK in 1803, a choleric editor of the Connecticut *Courant* worked himself into a spluttering rage at the President of the United States, who, at the time, was Thomas Jefferson. Behind the ire was history's biggest real estate bargain.

Briefly, the background was this. In Europe, France's little gamecock, Napoleon, was honing his spurs for war with Great Britain, and he needed money. Fearing that the impending struggle might close the port of New Orleans, thus cutting off vital Mississippi traffic from the sea, President Jefferson offered to buy the town together with enough adjacent square mileage to insure its defense.

Napoleon countered with a surprising proposition: He would sell the whole of French Louisiana, but no part of it.

Lacking authorization, pressed for time, and knowing that the U. S. Treasury did not have the funds on hand, Jefferson's emissaries nonetheless took a deep, desperate breath and signed the compact which promised that the United States would pay \$15,000,000. Then Jefferson asked Congress to ratify their brash commitment, and high winds of controversy broke loose in all the original states.

The trouble was that the real estate involved was such a truly colossal and little-explored chunk of earth that people couldn't get their minds around it. The price reckoned out at about four cents an acre, but a penny was bigger then than now, and the citizenry thought the President was throwing their money away.

"Louisiana," the *Courant* thundered, "is inaccessible, and unsuitable for extensive cultivation, an untrodden waste for wolves to howl in."

Today, in its sesquicentennial year, the Louisiana Purchase is ranked with the Declaration of Independence and the adoption of the Constitution as one of the three most important and fruitful decisions in our history.

Merely to catalog the profits this

nation has derived from Jefferson's bargain would take a library of books. The inventory would have to start with the commerce of Missouri, the minerals and forests of Arkansas, the corn of Iowa, the oil of Oklahoma, Kansas' wheat, Colorado's silver and gold, Minnesota's iron, Mississippi's cotton, and the cattle of the Dakotas, Nebraska, Wyoming and Montana—for all these states became part of our wealth in that bloodless acquisition of an empire. But nowhere have the benefits of "Jefferson's folly" been as dramatic or diverse as in coastal Louisiana. Of all the area involved, this, to the unimaginative eye, is the most inaccessible and most unsuitable for cultivation.

The *Courant* editor could not possibly have seen it before he decried it, else his preoccupation would have been with alligators, not wolves. Coastal Louisiana has never been more roundly described than by the slightly tipsy biologist who wandered into a New Orleans bar and ordered a double sazerac. Receiving it, he hoisted his glass high, gazed moodily through its ruby content, and declaimed:

"A toast to Papa Alligator. Every year Mama Alligator lays 4,000,000 eggs and Papa Alligator eats them all but one. But for him we'd all be up to our ears in alligators."

The best way really to see what he meant is from the air. But first, take a map and draw a line along the thirtieth latitude from the Chandeleur Islands in the east, through New Orleans, to Texas. The line is 300 miles long. Everywhere to the south of it the terrain shades imperceptibly and irregularly from firm land into marsh.

Flying over it, one sees miles of what looks like good, green earth. Then, far to the left or right, an oil prospector's marsh buggy comes into view. As it is approached, it becomes obvious that the buggy's wide cleated drums are slopping up water like a river boat's paddle wheel. The good green earth is really grass-covered water. Through



By CRAIG THOMPSON

# SAM

it at random intervals, broad clear streams seem to sweep from the Gulf of Mexico into the hinterland, their banks clearly defined by moss-hung trees. These are the bayous of story and history, lairs for pirates of old, and the continuing home of Evangeline's displaced people. In some areas, as many as 100 miles of bayou and marsh separate ground a man can stand on from the white-capped Gulf. Altogether, south of the thirtieth parallel, from Chandeleur to Texas, there are some 10,000,000 acres, nearly half of which is weed-blanketed water.

In the year 1952 alone the mineral, animal and vegetable products of this area, exclusive of manufactures, equaled 60 times the money that Napoleon vaporized in gunpowder a century and a half ago. And they came from less than one thirty-seventh part of the territory he sold us.

The fact is that coastal Louisiana is bellwethering a boom, although the word is one that Louisianans have avoided for more than two centuries, or since John Law floated the Mississippi Bubble that burst. Rejecting the flamboyance of Texas on the west, and the less imaginative conservatism of the southern Atlantic states on the east, Louisiana has joined with Arkansas and Mississippi in the promotion of the Middle South. The measure of progress is that within the past few years money from north, east, west and south has flowed to coastal Louisiana to build \$1,000,000,000 worth of new factory space.

The industrial attraction is partly the queenly port of New Orleans, which is both the hub of a vast inland waterways system of cheap transport and of an even bigger web of international water-borne trade. It is also due in part to the natural riches of this coastal alligator farm. Even the alligators contribute: Last year 28,411 of them were stripped of skins that alligator wrestlers sold for \$192,000.

(Continued on page 80)



STANDARD OIL



## By the staff of the Chamber of Commerce of the United States

### CONSTRUCTION

COMPETITION is becoming more intense. Some call it "intensely intense." This is good news for the consumer. It is good news for the future of an alert and technologically progressive construction industry.

Will the money and credit be available to finance another boom year of construction? It will in the judgment of industry leaders. The volume of savings and loan associations' mortgages recorded for new housing for January and February 1953 (latest available figures) was up about 28 per cent over the first two months of 1952; for remodeling old houses up 22.5 per cent.

Confidence in the future volume of building activity presupposes: 1, full recognition across the industry of the changing market conditions which are beginning to affect some types of building, and 2, a broad determination by all concerned to develop a positive, private program to sustain construction as a vigorous force in the American economy.

### LABOR RELATIONS

FORMAL hearings on labor legislation will be concluded by both Senate and House Labor Committees this month. The Committees will aim at getting bills prepared

by about June 1. Hearings have again demonstrated that there are wide disagreements about labor legislation both in and out of Congress. The disagreements pay little attention to party lines.

The tendency will be toward enlargement of the NLRB rather than complete revamping. The rights of states will receive support. This may well result in strengthening their hands in handling strikes and picketing, particularly in local utility disputes.

Management should not count on legislation now to curb monopoly bargaining power. On the other hand, labor is not likely to get the injunction removed as part of the machinery for handling national emergency strikes. There is real danger that unless management's friends and spokesmen act most effectively mandatory injunctions as a curb on boycotts may be lost.

### NATURAL RESOURCES

THE defense shortage in metals is about over. Manufacturers can get ample supplies of nearly every metal they want and, in the case of lead and zinc, surpluses and falling prices have resulted.

Lead and zinc passed the hump last May when Great Britain began dumping her surplus government stockpile into the market. The price of lead dropped from 19¢ to

## HOW'S

13½¢ a pound. Zinc has gone from 19½¢ to 11¢ a pound. Domestic mines are closing and producers are clamoring for relief.

Supply and demand are about in balance for iron and steel, except for certain specialty items. Not all of the expanded production facilities have come into full operation, but already producers are beginning to worry about possible surplus supplies. Copper supply is beginning to catch up with demand. Foreign imports are increasing.

The increasing tide of imports in metals (and in oil) will probably play an important part in the Congressional debates on extension of the Reciprocal Trade Agreements Act.

### GOVERNMENT SPENDING

A BIG question mark for the next few months is the extent to which the Bureau of the Budget will be able to reduce spending plans for fiscal 1954. During May the budget picture will be filled in, with the possible exception of the military. It is apparent that the Truman Administration's planned spending of \$78,600,000,000 will be reduced, and there is some evidence that the new target is around \$72,000,000,000. On this basis, reductions of about \$2,000,000,000 each, more or less, would be made in the military, foreign aid, and civilian sectors of the budget.

Fiscal 1954 begins on July 1, 1953. All appropriations bills should be passed by the House and Senate well before then. But it's a good bet that they won't be, this year.

Spending so far in fiscal 1953 has been at a rate about 13 per cent above last year, which would indicate a total for this year of somewhat less than \$71,000,000,000—a far cry from the \$85,400,000,000 originally estimated in the 1953 budget.

### FOREIGN TRADE

U. S. EXPORTS (excluding shipments under military assistance programs) will have a harder time this summer than last. The probable scaling down of foreign economic aid, greater competition in



# BUSINESS ? a look ahead

foreign markets, and the continuing unbalance of the world's payments situation will introduce an element of caution in U. S. export trade circles.

Although a number of schemes are under discussion here and abroad to aid the return to greater freedom of currency exchange (for example, British pounds or French francs for U. S. dollars) and easing of trade barriers, these schemes, if concluded, will not bear fruit before 1954 or 1955.

In the short range, the price declines in world raw materials, which spiraled dizzily after the outbreak of the Korean war, will result in lower foreign exchange earnings, particularly of dollars, in many of the primary producing countries.

## CREDIT & FINANCE

ALMOST lost in the debate over wage and price controls is the question of extending stand-by Federal Reserve authority over consumer and housing credit. What the Congress will do on the two-year extension proposed in the Senate is a wide-open question, to be settled in a month or two.

The Treasury's biggest headache, next to the matter of revenues, is the problem of what to do with maturing national debt. The fantastic size of the problem is shown by the fact that out of slightly more than \$267,000,000,000 in Federal securities outstanding, nearly \$57,000,000,000 mature in 1953. Another \$58,000,000,000 are savings bonds, redeemable on demand.

It's no wonder, therefore, that the Treasury is turning much of its attention to the problem of lengthening the maturities of the debt. Result has been a weakening of prices of intermediate and long-term bonds, in anticipation of new long-term offerings.

## TRANSPORTATION

INCREASING highway use by automobiles, trucks and buses continues to outstrip highway construction programs in most sections of the United States. This

picture is expected to improve, however. There are many significant developments coming to the surface in the highway picture.

A congressional subcommittee is looking into allocation and administration of federal funds for highway construction plus other similar matters.

A federal-state-local commission, created through the joint efforts of state executives and President Eisenhower, will explore federal aid for highways.

Toll road popularity continues to grow. Over 750 miles of toll roads have been built and are operating; nearly 1,200 more miles are under construction. Sixteen states have set up machinery to permit toll road construction and this number will undoubtedly increase soon.

There is a rising public demand for stepping up the highway building program.

## TAXATION

BRIGHTENING prospects for peace in Korea have stimulated reconsideration of the Government's fiscal situation. As the pressures for a continued rapid defense build-up are eased, there is an accompanying easing up in opposition to tax reductions.

There remain sharp differences of opinion within the Administration leadership as to political and economic advantages to be gained from tax cutting now or during the coming year.

With Congressman Reed pressing steadily for his bill to reduce individual income taxes ahead of schedule, and with better prospects for a balanced budget in fiscal 1954, the chances for tax-cutting this year are considerably improved.

The new procedure for expediting refunds to individuals has increased these payments by \$800,000,000 and cut net receipts, to March 31, by a like amount. This of course, will be evened out in the last quarter of fiscal 1953.

## AGRICULTURE

THE business picture for farming is not quite as bright as for the

economy as a whole. As long as general business activity remains high, demand for farm products is expected to hold up well. This excludes the prospects for such export commodities as wheat, cotton and tobacco, which continue to fall off. The U. S. Department of Agriculture is shaping up a concerted practical drive to bolster export markets for farm commodities.

Farm prices, according to most recent reports, have firmed up slightly after a two-year drop that carried the level back to pre-Korean levels. But farm production and living costs continue to inch upward with little prospect of reversal.

There is already some indication of cutbacks in farmers' cash outlays. Sales of farm machinery and equipment are lagging to some extent, particularly in cattle feeding areas, but are going well in areas where price prospects are encouraging. These include hog raising territory and the Southwest, where rains have improved prospects.

## DISTRIBUTION

RETAILERS and wholesalers are optimistic on second quarter volume. Retail inventory ratios have moved up since December from 44 to 48 days' supply. Wholesalers now stock about 40 days' needs. Caution, however, is becoming the watchword in both inventory management and sales campaigns.

Competition is sure to be intensified in some lines. Take autos, for instance. General Motors upped its first quarter output by 57 per cent over last year. Dealers will have to move this huge increase by pushing the used cars, bigger trade-ins, better service.

Distribution executives now realize that a "buyers' market" calls for better research—more data about prospects, customers, trade areas. Great changes have occurred since World War II in population, in income groups, family composition and buying patterns. Finding and using these facts will be stressed. Communities and individual distribution businesses are stepping up their trade area investigations.



GEORGE LOHR

*Here at home we train the*

## cream of the **ROK** crop

*Behind the emergence of a first-class  
Korean Army is a little-heralded program  
which has brought hundreds of hand-picked  
officers to this country for advanced study*

GEORGE LOHR







*Engineer students learn bridging techniques, as well as how to build military roads*

By **ARTHUR D. MORSE**

**S**INCE 1950 hundreds of hand-picked Republic of Korea Army officers have received advanced training in the United States.

This little-heralded program, launched long before the ROK build-up became an issue, has played a vital role in the emergence of a first-class Korean Army.

Lt. Gen. Maxwell D. Taylor, now commanding the U. S. Eighth Army, has seen the effects of the program.

"To the courage and determination with which the ROK Army resisted aggression from the beginning," he says, "the professional training of its officers in the United States has added modern technical skills and the know-how which is indispensable to success on the Korean battlefield."

Selected on the basis of combat records and leadership qualities, the ROKs take 12- to 20-week courses at the U. S. Army's top infantry, engineer and artillery schools. When they return to Korea some are assigned key positions as staff officers, combat commanders and instructors at their own military schools.

Others supervise the training of new units that will increase Korean Army strength far beyond the current 14 divisions.

To bring readers of *NATION'S BUSINESS* a report of this program I visited the ROKs at their principal U. S. Camps: the Infantry Center, Fort Benning, Ga.; the Artillery Center, Fort Sill, Okla.; and the Engineer Center, Fort Belvoir, Va. I lived in their quarters, went into the field with them and interviewed their instructors, from the high brass in the Pentagon to the low brass in the mud. Everywhere the story was the same—the ROKs are superior students, fighters and humorists.

At Fort Benning I met Lt. Shin Eung Wook who was chosen for this training because of his superlative combat record.

Lieutenant Shin is small in stature, 23 years old

and a graduate of Kongju High School. After the invasion he enlisted in the Army, later becoming a company commander in the 9th ROK Division. His biggest day occurred in June, 1952.

Early in that month the U. S. Eighth Army and the 9th ROKs had become concerned about the possibility of a major enemy offensive on June 25, the second anniversary of the invasion. All units were ordered to capture as many prisoners as possible. Probing attacks in the "Iron Triangle" area sought to establish Communist intentions. As the anniversary approached, U.N. apprehension mounted. There were no prisoners and an ominous silence hung over the battlefield. Finally the ROKs were ordered to take Hill 396, an enemy strong point dominating the area.

Two regiments were hurled back in repeated frontal and flanking attacks. Still there were no prisoners.

At this point Lieutenant Shin suggested a plan which was adopted. Under cover of a heavy mortar barrage he led his company behind Hill 396 and crawled up a steep slope in the rear of the enemy. Before reaching the crest he detached three platoons to circle the Communist flanks. When the flankers were in position, the men in the rear opened fire. As the North Koreans and Chinese rose to meet the challenge, the flankers poured in a withering fire. When the lieutenant spotted an enemy network of trenches and tunnels he called for TNT to block the entrances. However, before the charges were exploded he captured 13 prisoners.

Under interrogation they admitted that an offensive had been planned for June 25 and U.N. forces were deployed in time to neutralize it. For his quick thinking and heroism, Lieutenant Shin was awarded the Silver Star, America's third highest decoration for valor.

His commander joined with the unit's American adviser, an officer attached to the Korea Military



GEORGE LOHR

An efficient translation system has been set up

## ROKS continued

Advisory Group (KMAG), in recommending Lieutenant Shin for advanced infantry training in the United States. Cleared for security by both Korean and American authorities, the lieutenant now faced the oral, written and physical examinations that eliminate nine of every ten candidates. Most of his rivals had attended technical colleges or universities but Lieutenant Shin cleared each hurdle as skillfully as he had overcome Hill 396, and with an impressive group of his countrymen he sailed for America and Fort Benning.

His infantry classmates, like their artillery and engineer counterparts, were shepherded from Korea by a KMAG (pronounced Kaymag) specialist, Maj. Charles J. Askegaard of Fargo, N. D. During the voyage he told his charges about America's nonmilitary customs, its sights and the elevated status of its women ("they won't bow in to serve your food, then back out on their knees"). In addition the major gave his ROKs such a thorough briefing in bingo that they won 80 per cent of the ship's prizes.

In the course of his 20 weeks at Benning, Lieutenant Shin crawled, ran and rode over many of its 182,000 acres and found himself on the go from 6 a.m. to 10 p.m. He learned map reading, personnel management, camouflage, infiltration, fired and broke down weapons from the M-1 rifle to tank guns. He had 40 hours of automotive training and 80 hours of instruction in wire and radio communications. He rounded out his combat attack experience in patrols against crafty "aggressor" troops, learned amphibious tactics in assaults across the Chattahoochee River and, like all Koreans, delighted in bayonet and knife fighting.

The language barrier was no problem for Lieutenant Shin. (Before the training program was launched in 1950 the ROKs' erudite Interpreter Corps had translated Army manuals and lesson outlines into Korean.) His class—like the others—brought its own interpreters who rehearsed lectures with the American instructors. The system of translation is efficient and little time is wasted. Thus a candidate is not denied advance training because he does not speak English.

There were some problems, of course. Lieutenant Shin discovered that an interpreter who had majored in French at Seoul University had some disconcerting habits. Once, when he was translating one of Shin's questions into English, he turned to the instructor.

"Sir," he said, "the lieutenant would like to know why beaucoup de troops are required in the rear areas?"

America's cars, buildings, wealth and beautiful women dazzled Lieutenant Shin but he discovered early that there was little *kimchi* around. This surprised him since his national dish is so simple to prepare:

Cover the bottom of a bucket with salt. Add layers of red cabbage, garlic, hot red peppers and onions. Top with apples, pears, leeks, shrimp, etc. and smother in powdered red peppers. Build up similar layers until the bucket is filled, then bury it underground.

Allow this morsel to ferment for a week or more (in Korea it stays underground for months), then dig up the bucket and start eating.

"It smells," admits Lieutenant Shin, "like one door from Hell—"

"—Ah yes," adds another ROK officer, "but it tastes like Heaven."

Such is the hospitality of America that Lieutenant Shin and his friends had their *kimchi* regularly in Columbus.

This came about through the good will and gastronomic fortitude of the ladies of St. Luke's Methodist Church.

Brig. Gen. Guy S. Meloy, Jr., Benning's commanding general, is concerned about more than *kimchi*. The general earned a Distinguished Service Cross for heroism in Korea and 300 members of his faculty are also veterans of its battles.

Their combat lessons have been incorporated in the Benning curriculum.

UNDERSTANDABLY, Benning instructors stress the correction of U.N. weaknesses, and night fighting is high on their list.

"We're bearing down on night actions," General Meloy told me. "We want our men to realize that the dark is a friend not an enemy and can be used as an ally."

"As for the ROKs," he added, "they're the eager beavers! We'd be delighted if American officers trained with the same earnestness. A fellow like that Lieutenant Shin will probably become a splendid instructor at the Korean infantry school and help to turn out thousands of well trained troops. Everything we've heard about the ROKs' performance after they leave Benning has been complimentary."

This view is echoed by Maj. Gen. Arthur M. Harper, commanding general of the Artillery Center at Fort Sill. I saw the general after he had returned from a 15-day tour of the battlefield where he had checked on his ex-students.



"I have never seen better gun positions than those prepared by the ROKs," he said. "In terms of construction, concealment and effectiveness they are unmatched."

Coming from an artilleryman with 33 years' experience this is meaningful praise, but in view of the ROKs' performance at Fort Sill it is not surprising.

A recent class shattered all Sill records by compiling an average of 94 in gunnery, 92 in communications and 90 in combined arms. Their leaders, like the 29-year-old Col. Pak Kyong Won, make it clear that they are not in America on a pleasure jaunt. The colonel has one mission in life—to unify Korea by driving out the Communists and he insists that his junior officers tackle their studies and field problems with determination.

LIKE HIS compatriots, Colonel Pak has burning memories of devastation and suffering. Because he was one of five brothers who were prominent in the South Korean Army, the invaders murdered his mother, father, two remaining brothers, four sisters, their husbands, wives and children—28 in all. The colonel doesn't talk about it much but he does plenty of thinking.

Similar experiences have imbued the ROKs with fierce spirit and instructors often gasp at their recklessness. But even the Koreans have their limits.

Recently the Oklahoma City Chamber of Commerce took the Fort Sill group on an all-day tour ending at a local amusement park. The senior Korean, a brigadier general, was persuaded to ride the giant roller coaster. When the general climbed aboard, his junior officers felt obliged to follow—all, that is, except one lieutenant. He strolled over to an interpreter, whispered something and stood with arms folded, examining the roller coaster.

"What did the lieutenant say?" asked a Chamber of Commerce host.

The interpreter scuffed the ground nervously, then replied, "Lieutenant say 'the hell with that.'"

Fort Sill's gunnery instructors have been amazed by the ROKs' mathematical dexterity. One instructor decided to get at the root of this ability so he questioned an interpreter.

"When do you study algebra, geometry and trigonometry in Korea?" he asked.

"In junior high school, sir," replied the interpreter.

"Then what do you take in high school?"

"Those who are *not* going to specialize in technical subjects take advanced algebra—"

"And those who *are* going to specialize?" asked the instructor.

"Oh, sir," answered the interpreter, "they take calculus and things like that."

The KMAC officer in charge of these precocious artillerymen was Maj. Harold S. Smith of Everglades, Fla. A slow-talking Lincolnesque man, Major Smith fought in seven World War II campaigns where he picked up a Bronze Star and Croix de Guerre. Not long ago he recalled himself to duty voluntarily, leaving a flourishing corporate law practice. In Korea he was an adviser to the 59th ROK Field Artillery Battalion.

"Major Smith," explained one of his charges, "has a very smart brain and a deep knowledge of Korea. Many Americans look only at our poverty but the major has looked beneath it and has discovered that we have also a culture that has endured for 4,000 years."

(Continued on page 48)



Leaders like Col. Pak Kyong Wong, above left, make it clear to their junior officers that they are not in America on a pleasure jaunt. Hard study is the rule



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**POWER-JET CARBURETION:** Meters the flow of fuel to meet exact requirements of engine load and speed with 2-way controlled ignition.

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**SYNCHRO-MESH TRANSMISSION:** Quick, quiet, safe shifting—eliminates "double-clutching."

**HYPOID REAR AXLE:** Lowers tooth pressures, stronger tooth section gives extra durability.

**STRADDLE-MOUNTED PINION:** Maintains better gear alignment, better tooth contact on medium- and heavy-duty models.

**SPLINED AXLE-TO-HUB CONNECTION:** Driving splines mate directly with wheel hubs on heavy-duty models. No bolts to loosen or permit oil leaks.

**BATTLESHIP CAB CONSTRUCTION:** Each cab is a husky double walled, all-welded steel unit of great strength and durability.

**UNIT-DESIGNED BODIES:** Floors, tops, sides built as separate matching units for greater strength and safety. Widest color choice at no extra cost.

*(Continuation of standard equipment and trim illustrated is dependent on availability of material.)*



## 11 Straight Years as First Choice of America's Truck Buyers

More buyers have chosen Chevrolet trucks than any other make—for 11 consecutive truck production years. That is in itself an

amazing record and one which gives added weight to the widespread conviction of Chevrolet's superior qualities and value.



... after a fire at  
your home or business.

This expense can be  
insured at small cost.

## WHEN YOU BUY INSURANCE BUY INTEGRITY

*Insure with an Agent of...*



HARTFORD 15, CONN.

The Connecticut Fire Insurance Company  
Equitable Fire & Marine Insurance Co.  
Minneapolis Fire & Marine Insurance Co.  
The Central States Fire Insurance Co.  
Atlantic Fire Insurance Company  
Great Eastern Fire Insurance Company  
Reliance Insurance Company of Canada

(Continued from page 45)

The major also discovered that his men are excellent marksmen and are proficient in the operation of the 105 mm. howitzer. This is the basic division artillery weapon in Korea and the ROKs practice on it with gusto.

Their fire direction teams operate from the ridges of the Fort Sill range, sending orders to eager gun crews.

The firing command, *Sa!* is the signal for a ferocious pummeling of the targets of the day and it takes little imagination to picture the ROKs at work in the months ahead.

When his men return from their "shoots," Major Smith joins them in a variety of activities from *kimchi* eating to a barbershop quartet.

Like the other KMAG officers in America, Major Smith will return to Korea with his men and go back into the field to train other ROKs. Among the innovations he will notice on his return is a well equipped ROK Corps of Engineers, many of whose leaders were trained at Fort Belvoir.

**T**HE day I arrived there, Lt. Col. Chun Kyong Chin's engineer troops were attempting to bridge an 80-foot gap. Although their training is designed to prepare engineers for command responsibility, the ROKs do the physical labor, too, so they can better understand the problems faced by their enlisted men.

As Colonel Chun barked the orders, his officers wrestled with the 577-pound vertical panels of a Bailey bridge. The panels, on opposite sides of the bridge, were then connected by 618-pound transoms. When the colonel shouted "Mi! Ru! Ra!" the men strained against the bridge and it slid forward on its rollers, spanning the gap.

During their 12-week course ROK engineers learn the construction of military roads and airfields, practice the latest methods of mine warfare and operate heavy equipment, including water supply and electrical machinery.

But Benning, Sill and Belvoir have taught the Koreans more than the techniques of warfare and they try to cram everything into their brief visits. When Lt. Moon Sung finishes a full day at Fort Belvoir he rides a bus for six hours to attend chemistry classes at George Washington University. Lt. Chung Moon Yong, whose medical education was interrupted by the invasion, spends every cent he

earns in America (all Korean officers receive \$5 a day during their training) for the microbiology books he can't buy in Korea. And Colonel Pak was granted leave on Election Day so he could walk from one polling place to another and just watch.

**A** ROK major put it simply, "We Koreans came here and found out what real freedom is. Now we know the way human beings are supposed to live. Our ideas on how to rebuild Korea have been strengthened by what we have seen in America."

For 90 Korean officers, the most momentous event of their stay occurred in New York City on Christmas morning, 1952. At 10:30 their sight-seeing bus drove up to the Morningside Drive home of President-elect Eisenhower. They had sent him a telegram stating that they would be passing by and hoped to pay their respects. They expected little more than a glimpse of the general.

But when they disembarked from the bus, the general stepped from his doorway, shook hands all around and said, "Merry Christmas! How do you like our country?"

"It is wonderful, General," they replied.

"Are the people treating you kindly?" asked the general.

"Oh yes, they could not be more hospitable."

The questions and answers went on for half an hour. Talking casually with the next President of the United States, the ROKs were given their most eloquent understanding of the country which is their principal ally in this strangest of wars.

Later, one of the Koreans said, "We shall fight better for that half hour."

I think we can count on that. **END**



"Tomorrow will be too late to  
repair the fasteners on that  
upstairs window screen"



# Letters TO THE EDITOR

## The wrong cast

DEAR SIR:

We enjoyed your article ["The GI's Day in Court" by Stanley Frank, January, page 36] but were baffled by the following passage:

"Superior officers literally had the power of life and death over their men. During the Civil War, the son of Edwin M. Stanton, Lincoln's secretary of war, was hanged by the Navy for mutiny immediately after his shipboard trial. It is not difficult to imagine the injustices inherent in a system that could not permit even a cabinet member's son to appeal a death sentence."

The way we always heard it the secretary of war concerned was Mr. Spencer and the incident took place in 1842. The accused was Midshipman Philip Spencer of the Brig *Somers* and the accuser the commanding officer of the *Somers*, Commander Alexander S. Mackenzie. There was no shipboard trial at all, in the commonly accepted sense of the word trial.

W. C. MOTT, Captain, U.S.N.  
Commanding Officer  
U. S. Naval School  
Newport, R. I.

## The facts—from a reader

DEAR SIR:

I am a regular reader of NATION'S BUSINESS and always enjoy your articles very much. However, in reading the article, "Government by Default" by Arthur W. Hepner in your current issue [March] I find several statements to which I take exception.

I am in no way presenting this information as a carping criticism, but simply to draw your attention to the facts as I see them. In the second paragraph of the article a reference is made to the former governor of Illinois, Adlai Stevenson, and the collection of a private kitty for his use. This statement is made: "He wanted the money to pass around as bonuses and gifts to bolster the low salaries for key state posts. In this way, Adlai Stevenson hoped to woo to public life topflight executives who ordinarily spurned government offers because of the financial punishment such jobs inflicted."

The truth of the matter is that this so-called kitty was in reality a campaign fund totaling nearly \$200,000 and only a minor part of it was ever used as bonuses or gifts. The odd part of it is that the man who formerly held the position I now hold was the recipient of most of these bonuses and gifts. The fact also reveals that he did not sacrifice anything to accept employment with the State of Illinois, and after I took over his job on

January 12, 1953, he returned to the same job he had held in 1949.

On page 32, the following statement appears: "When Adlai Stevenson was governor, he put across a statewide employe training program in Illinois." The fact is that a statewide employe training program was in use in Illinois long before Adlai Stevenson ever dreamed of becoming governor, and the same statewide employe training program is still in effect under the present administration, with the addition of several classifications of employes not covered previously.

As I said in my opening statement, I am not presenting this information on a partisan basis, but simply to keep the facts straight.

I also have no desire to enter into any arguments on the subject but felt it was my duty to inform you, as editor of one of the most important magazines in the United States, of the real facts.

Sincerely,  
CARL G. HODGES, Superintendent  
Division of Department Reports  
Department of Finance  
State of Illinois  
Springfield, Illinois

## New Bedford heard from

DEAR SIR:

We note with some remorse that you refer [March, page 5] to the art of rope-making on the walk as a crude, hand method, and also that this operation is performed somewhere in a nebulous remote "part of the world."

It is apparently necessary to preserve our honor, to point out that, were it not for our ropewalk and one or two others similar to it in this country, the woolen or worsted suit which you wear would still be made by hand spinning rather than on the marvelous modern woolen "mules" which do the job today. Our cotton ropes are the only type which can be successfully used on these machines, due to the tremendous stresses set up by these machines on the driving ropes. Modern fibers are of course displacing cotton to some extent, but the basic principle remains the same: It must be a walk-laid rope.

Now then, in reference to your casual sentence "Even now rope in some parts of the world—" New Bedford is definitely a part of the world. Not remote and not nebulous. Our city boasts many diversified industries, and is considered to be a great contributor to the high standard of living in our country today. And New Bedford has two ropewalks.

... At least one reader, this one, reads your magazine as soon as it is received.

JOHN E. RUGGLES, Asst. Treas.,  
New Bedford Textile Co.  
New Bedford, Mass.



## United Van Lines PRE-PLAN Each Move for You!


Here's the most practical way to cut through the many troublesome details involved in long-distance household, office and plant moving . . .

Dial the nearby United Van Lines agent, and say: "Pre-Plan our move, please!"

United Pre-Planned service takes the details off your hands, no matter what you move or store, anywhere in U.S. and Canada.



Over 400 helpful United agents. See Classified Phone Book for agent nearby—at your service.

Only United vans are  Sanitized for your hygienic protection

**Free!** United Van Lines makes your moving easier with a **Pre-Planning Kit** of helpful ideas, removal notices and carton stickers. No obligation—send for yours wherever you plan to move!

**UNITED VAN LINES, Inc.**  
St. Louis 17, Mo., Dept. NB

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# Slum towns are going

*The movement to banish blight is  
growing across the nation*

**F**OR the first time in American history, there now appears to be sound basis for hope that slums may disappear from U. S. cities. In the years since World War II, a movement has been born to rehabilitate and repair usable blight area housing, to demolish and rebuild where no repairs can restore decent habitation standards. The movement is growing across the nation.

Slum elimination on a national scale will not be accomplished tomorrow or next year. Too much work is ahead for the task to be finished quickly. Yet some cities already have overcome obstacles as difficult as any they are likely to meet, and they don't intend to quit until the job is done. Baltimore's solution to the problems of a destitute veteran was a good example.

The veteran had bought a home in a Baltimore blight area after World War II and established a family. His job paid very low wages. His plight seemed hopeless when slum cleanup squads came and inspected this veteran's household.

The veteran, his sick wife, and three undernourished young children lived in a dank, run-down house in a rock-bottom slum. One child had just died after a long, expensive illness. Judgments for unpaid bills were piled on a rickety table in the bedroom.

The roof leaked. The cellar was wet and mildew covered its stored junk and debris.

Slum clearance experts gave their verdict: Without a new roof, new wiring, basement cement work and rat proofing, the house was not only uninhabitable, but a menace to community health.

But the veteran had no money.

Baltimore refused to be daunted. The slum rehabilitation program's "Fight Blight Fund, Inc.," a group of civic leaders who contributed time, money and effort to the cleanup campaign, came to the rescue. Fight Blight officers prevailed on the veteran and his neighbors to do the needed cement work themselves. A \$200 loan from

Fight Blight's revolving fund was extended to buy materials and pay for roofing, electric wiring and rat proofing.

To top off their work, officers persuaded the bank holding the veteran's small mortgage to suspend principal payments for a year. In 12 months, the ex-GI repaid the \$200 loan and two judgments. His house was at least sanitary, and his mortgage was no bigger than before.

Baltimore's program was one of the first mass rehabilitation assaults on blight sections to be launched in the U. S. Under its now famous "Baltimore Plan," the city has restored 16,000 slum homes to decency. More important, its success has sparked other cities to follow suit.

Charlotte, N. C., has rehabilitated 8,800 blight area dwellings. Los Angeles has embarked on a program aimed at restoring 60,000 houses. In Miami, landlords are spending \$10,000 daily for slum area repairs. Pasadena, Calif., has a slum elimination program known

**By EDWARD B. LOCKETT**

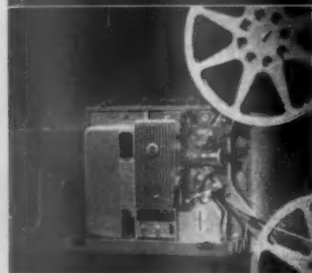


## Kodak announces . . .

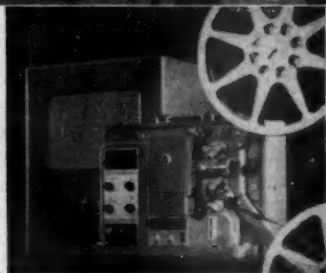
### 3 brilliant new Pageant models ... and a heavy-duty silent projector for critical movie analysis

The Pageant is the projector that has revolutionized 16mm. sound projection... the first compact projector with the optical and tonal excellence of full-scale 16mm. equipment... the first to offer permanent prelubrication—an exclusive 16mm. feature that eliminates *completely* the chief causes of projector breakdowns!

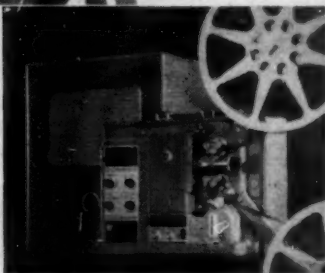
At just \$400, the Pageant is still the economical top-choice projector for average 16mm. sound-and-silent projection. But now from Kodak have come four more projectors—each “tailor-made” to meet a particular 16mm. projection requirement. See your Kodak Audio-Visual Dealer about a demonstration—or use the check slip below for further information.



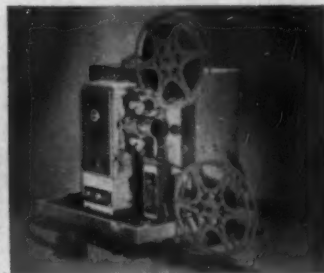
**NEW Kodascope Pageant Sound Projector, Model AV-071, with Plus-40 Shutter** A super-brilliant version of the standard Pageant, it incorporates an extremely efficient two-bladed shutter which provides vastly increased illumination—more than 40% greater than the sound-and-silent projector. Ideal for projection under difficult conditions... in hard-to-darken rooms, in halls or auditoriums... wherever extra image brilliance, long screen “throws,” or unusually large picture areas are required. \$400. Sound projection only.



**NEW Kodascope Pageant Sound Projector, Model AV-151, with 15-watt amplifier** Features an extremely high-fidelity amplifier, the extra capacity of the 12-inch Kodak De Luxe Speaker, and provision for the finest sound fidelity obtainable with a 16mm. portable projector. Ample power output and speaker capacity for auditorium projection... plus separate bass, treble, and fidelity controls for unmatched sound quality in cramped quarters as well as in spacious auditoriums. \$530. Sound-and-silent projection.



**NEW Kodascope Pageant Sound Projector, Model AV-151E, with Plus-40 Shutter and 15-watt amplifier** Combines increased light output produced by Kodak's Plus-40 Shutter with the precise tone and volume features of the Model AV-151. No other portable projector gives you such brilliant screening—even on long throws—plus such excellent tonal quality at all volume levels. The Pageant, Model AV-151E, is capable of meeting every 16mm. requirement short of a theater-type installation. \$530. Sound projection only.



**NEW Kodascope Analyst Projector** Heavy-duty silent projector designed to meet the critical requirements of 16mm. motion-picture analysis... ideal for such fields as time-and-motion study and sports analysis. Features a heavy-duty reversing mechanism operated from a remote-control switch on a 5-foot cord. Separate motor drives blower at constant speed, permitting repeated, instantaneous reversals without film or projector damage. With Daylight Projection Viewer, for desk-top movie study, \$295. Silent projection only.

Prices subject to change without notice

For top sound coverage in acoustically difficult locations, you can step up volume without distortion with the inexpensive Kodak Multi-Speaker Unit... 3 additional speakers in matching case. Simply plug into any Pageant.

**MOTION-PICTURE PROJECTORS**  
for every audio-visual need

#### EASTMAN KODAK COMPANY, Rochester 4, N. Y.

Please send name of nearest Kodak Audio-Visual Dealer. Complete information on equipment checked: ☐ Standard Pageant ☐ Pageant Model AV-071 ☐ Pageant Model AV-151 ☐ Pageant Model AV-151E ☐ Kodascope Analyst ☐ Kodak Multi-Speaker Unit

NAME \_\_\_\_\_ POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_  
(Zone)

Kodak

as "Operation Junkyard" which has produced nearly 800 corrective jobs of housing improvement.

In a real sense, slums treated in this manner are moved out of the so-called rock-bottom sector of wretchedness. True, repairs and rehabilitation do not eliminate overcrowding. The same people—and just as many—continue to live in the same houses. But rehabilitated houses do meet health and sanitation standards. Civic authorities have found that human self-respect and pride, as well as human cleanliness and health, result from improved surroundings. Disease, crime, juvenile delinquency, fires and accidents, show a marked drop in such areas.

In the improved sectors, residents who once tossed trash and garbage into back yards and streets now grow flowers and have a place to relax. Occupants sun themselves on clean yard benches. Children, formerly driven into congested streets and alleys for dangerous play, frolic safely in between-house areas, cleared for games and in some cases equipped with basketball courts, swings and slides.

No one seems to know exactly what set off the new and healthy movement. In Baltimore, it apparently was simple revulsion. In other places it may have been pressure for more housing to shelter the lowest income groups of the increasing population. In still others, the motivating factor may have been a simple reawakening of the American urge for better living standards. The important thing is that the movement did get under way.

More than 20 cities have organizations and have actually begun to make progress in this work. Real estate boards of 131 cities in 36

states are actively promoting development of more rehabilitation programs. Two of the biggest real estate and home building organizations in the country—the National Association of Real Estate Boards and the National Association of Home Builders—have launched national drives to further slum betterment programs.

Charles E. Shattuck of Los Angeles, president of the realty boards association, announced in February: "We are asking that elimination of substandard housing be made the number one civic betterment action program of each of our 1,137 local realty boards." All-out efforts of five major committees of the association are now channeled into the slum rehabilitation project, known as the "Build America Better" program.

The Home Builders have hired G. Yates Cook, Baltimore's almost evangelical crusader for slum betterment, to head its improvement drive, titled "A New Face for America." Services of Mr. Cook, who developed the Baltimore Plan for ending city slums, will be offered free to cities seeking guidance.

Comparatively little demolition work has been necessary in slum elimination work carried out so far.

In Baltimore, only a fraction of the dwellings dealt with had to be torn down. In Charlotte, ten homes were rehabilitated for every one razed. In Corpus Christi, Texas, 1,000 corrective actions in substandard housing compelled only 100 demolitions. The 800 corrective jobs of Pasadena's "Operation Junkyard" razed only 96 structures. In Los Angeles, G. E. Morris, superintendent of building, estimated that 90 per cent of the city's

substandard houses could be rehabilitated.

Backers of the new movement make no claim that repairs and restoration represent the complete answer to the slum problem. So far, neither private business nor the federal Government has attempted speedy replacement of all slum housing with new low rent shelter. The cost of such a project would be fantastic. Slums constitute about 20 per cent of all U. S. housing—and shelter nearly a third of America's 158,000,000 people. In Baltimore alone, for example, with 16,000 slum houses restored, officials estimate that 80,000 houses are still below health, sanitation and safety standards.

What the nationwide slum rehabilitation drive does accomplish is to substitute action for righteous indignation. Thousands of outdoor mechanical toilets have been moved indoors. Ricketty stairways, leaky roofs and bad floors have been fixed. Walls and ceilings have been replastered. Fire hazards have been reduced.

**GUTTER** spouting, indoor sinks and back yard drains have been installed. New windows have been cut. Basements have been waterproofed. Rats have been killed, their nesting places destroyed. Wooden back yard fences, which cut off light and air and helped make trash piles and garbage litter, have been torn down.

Whatever the "how" and "why" of the slum improvement program, it emanated, not from social welfare leaders, nor from federal Government which has for so long promoted and financed the building of new low rent housing, but from municipal leaders.

Baltimore started the ball rolling when it lined up landlords and businessmen. The movement gathered momentum as more civic leaders and business executives got behind the plan. The real estate and home building professions joined in.

In words of the realty boards association, the restoration program is fast, practical, economical and equitable—compared with demolition and rebuilding. Under it, private industry and civic authorities in a matter of months have restored to livability low rent housing which would take the Government years to provide at public expense. It demonstrates what can be done where incentive exists and city officials have courage to move.

The rehabilitation program doesn't cost landlords or owner-occupants much money, and the



"You fool! That's the elephant gun"





## THOUGHTS at 4 A. M.

*It's four o'clock in the morning, and all the world's asleep.*

But one man's head shifts upon his pillow. He hears the plaintive whistle of a train in the distance, and the murmur of the wind in the trees. They seem to echo his thoughts.

*Thoughts that will not let him sleep.*

"What will happen to Janie and the children if anything happens to me? How can I be sure they'll be secure?"

His mind flashes back to the terrifying moment a week ago when a truck shot out of a side road without warning. If he hadn't been able to swerve his car just in the nick of time... *what then?*

"Am I getting morbid," he wonders, "or just realistic? Anyway, it's time I stopped *thinking* about my family's future and started *doing* something about it!"

**What can he do?**

There are millions of family men among the 5,500,000 members of The Equitable Life Assurance Society who have faced this same problem. They realize that regardless of inflation or deflation,

war or peace, fire or flood... life insurance is every man's "best buy."

They also realize that the dollars they pay in premiums do more than just provide protection for their families... because these dollars contribute in large measure to the overall security of their country.

While earning interest for the members of The Society, these premium-dollars finance scores of industries, railroads, and homes; help maintain millions of people

on payrolls, contribute to the highest living standards known to man.

Whether you are interested in figures or not, The Equitable's 1952 financial statement testifies to America's faith in life insurance as the basic means of protecting one's family and one's self.

So, to the sleepless man in the picture above we say, "To be sure *your* family will be secure, call your Equitable representative today."

### Condensed Statement of Condition as of December 31, 1952

RESOURCES			OBLIGATIONS		
		Per Cent			Per Cent
<b>Bonds and Stocks</b>			<b>Policyholders' Funds</b>		
U. S. Government obligations.....	\$ 578,532,808	(8.8)	To cover future payments under insurance and annuity contracts in force.....	\$8,378,822,180	(81.9)
U. S. Government bonds.....	181,102,341	(2.8)	Held on deposit for policyholders and beneficiaries.....	349,336,379	(3.3)
Public utility bonds.....	824,100,327	(12.8)	Dividends and annuities left on deposit with the Society at interest.....	186,143,981	(1.8)
Railroad obligations.....	578,008,245	(8.8)	Policy claims in process of payment.....	33,336,385	(0.3)
Industrial obligations.....	2,024,046,123	(30.8)	Premiums paid in advance by policyholders.....	88,298,369	(0.8)
Other bonds.....	237,898,549	(3.6)	Dividends due and unpaid to policyholders.....	7,359,663	(0.1)
Preferred and guaranteed stocks.....	110,507,345	(1.7)	Allotted as dividends for distribution during 1953.....	86,481,088	(0.8)
Common stocks.....	10,645,337	(0.2)	<b>Other Liabilities</b>		
<b>Mortgages and Real Estate</b>			Taxes—federal, state and other.....	23,996,000	(0.2)
Residential and business mortgages.....	1,153,505,558	(17.5)	Expenses accrued, unearned interest and other obligations.....	12,852,644	(0.1)
Farm mortgages.....	226,032,496	(3.4)	Security valuation reserve.....	30,579,957	(0.3)
Home & branch office buildings.....	11,401,221	(0.2)	<b>Surplus Funds</b>		
Housing developments and other real estate.....	175,065,207	(2.7)	To cover all contingencies.....	395,234,468	(3.8)
<b>Other Assets</b>			<b>Total</b>	<b>\$8,571,084,494</b>	<b>(100.0)</b>
Cash.....	86,638,050	(1.3)			
Transportation equipment.....	109,502,039	(1.7)			
Loans to policyholders.....	187,551,536	(2.8)			
Premiums in process of collection.....	51,651,972	(0.8)			
Interest and rentals due and accrued and other assets.....	54,604,742	(0.8)			
<b>Total</b>	<b>\$8,571,084,494</b>	<b>(100.0)</b>			

\*Including \$6,355,886 on deposit with public authorities.  
In accordance with requirements of law all bonds subject to amortization are stated at their amortized value and all other bonds and stocks are valued at the market quotations on December 31, 1952, as prescribed by the National Association of Insurance Commissioners. In addition, as required, a security valuation reserve is included among the liabilities.

## THE EQUITABLE Life Assurance Society of The United States

HOME OFFICE: 393 SEVENTH AVENUE, NEW YORK 1, N. Y.

taxpayers' burden for administration is negligible. It provides employment for hundreds of workers, and adds to the livable housing resources of a population growing at the rate of 1,000,000 each year. Moreover, it makes use of already-installed city utilities and conveniences, such as sewage lines, streets, transportation facilities, municipal services, schools, churches and parks.

In substance, a single, powerful municipal tool was used to fashion and make effective the national slum rehabilitation program: intelligent city law enforcement.

Municipal ordinances against substandard housing, or at least health, fire, safety and sanitation regulations, have been on the books of most cities almost since they were founded. But many of these laws have been ignored. As recently as 1951 a realty boards association survey revealed that housing standards were not enforced in 58 per cent of American cities.

In some municipalities, housing, fire and sanitation ordinances were hopelessly out of date. In many cities, regulations were enforced only on the basis of complaints. Fear on the part of slum dwellers—of higher rent or eviction—plain human neglect, and sometimes pressure by a few unscrupulous landlords, held complaints to a minimum. Social workers toiled to improve the lot of slum dwellers, but little attention was accorded the dwellings themselves.

**A** FEW big urban areas tried to put over slum rehabilitation on a voluntary basis. It didn't work. Several years ago Philadelphia set up a pilot voluntary project—"Operation Fix-Up." The city government, Chamber of Commerce and the Board of Education worked hard to keep the movement alive.

Property owners contributed money and slum tenants supplied the labor. Back yards were cleaned up; blighted buildings were repaired. But after a time the program died. As the realty boards association proclaimed in a 68-page primer published last year: "You need an ordinance with a penalty and enforcement to get results."

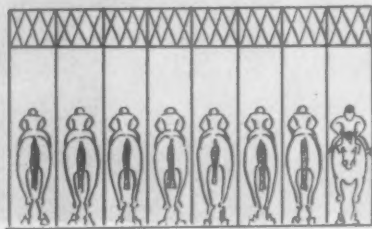
Baltimore, and other cities in turn, attacked the problem at just this point. Not all cities now engaged in slum projects followed the Baltimore formula exactly, but the Maryland metropolis established a national pattern, and its experience was typical.

The Baltimore program began in 1939. Health authorities, spurred

by a citizens' housing association and 18 months of slum elimination campaigning by the *Baltimore Sun*, inspected a nine-house slum and condemned the buildings as unfit for habitation. The block was leveled, and the health authorities condemned more slum housing. At this stage, a number of property owners unsuccessfully challenged the authority of the Baltimore Health Department to operate in the housing field.

The first fights revealed that Baltimore needed a modern, airtight code against substandard housing and, second, that criminal court magistrates already facing heavy dockets had little patience with suits over leaky roofs and outdoor toilets in the slums.

In 1941 the Baltimore City Coun-



cil wrote a new housing code and gave health authorities power to enforce "sanitary housing." Then World War II came along. New workers were screaming for any kind of housing at all. It was 1947 before a separate court was established to hear housing cases.

Wisely, health authorities applied knowledge gained during the war when it was obviously impossible to tear down any kind of housing. They decided to salvage all possible slum housing by rehabilitation and repair, and to attack blighted areas in units of a full block at a time. Thus the Baltimore Plan reached maturity.

Even then, civic leaders and authorities faced opposition. There was a case, for example, in which four nearly destitute families occupied a building so run-down it couldn't be repaired. Health authorities condemned the building—but the tenants didn't want to move. They had no place to go.

A mother and four tubercular children lived in two rear rooms on the third floor. There was one kerosene stove in the place, and kerosene lamps for light. The only entry and exit was a rear stairway approached through a narrow alley in the back yard where an outdoor toilet served four families. For this, the family paid \$8.50 a week.

After several months of controversy, the health authorities fin-

ally moved out family occupants—and ran into trouble with the landlord. He didn't want to fix the place up, and went to court. He was convicted, fined—and appealed. It took a year to get this house rehabilitated.

**I**N spite of delays and opposition, fire and sanitation inspectors moved in on Baltimore slums and ordered landlords and tenants to correct violations or face court action. Many landlords, and a few tenants, chose to fight, but Housing Magistrate Harry S. Kruger fined some and lectured others. The city began to get results.

In all, the Housing Court handled 2,300 cases during its first 18 months. In this period, the city moved 5,000 outdoor toilets indoors, scrapped more than 6,000 wooden back yard fences, and corrected 20,000 violations of the new housing code.

Other cities examining the Baltimore Plan, with plans to copy it, found the slum program much more complicated than it appeared from a distance. Although its core was law enforcement, much more than policing was required to assure success. Some landlords had to be convinced that slum improvement produced monetary profit.

A big job was financing repairs. Only after the Fight Blight Fund was created, and improved slum housing began to justify rent increases, did the last few reluctant landlords begin fixing up blighted houses without prodding. They came around at last, however, and today, in many American cities, slum landlords are rehabilitating housing with no urging at all.

Ultimately, both the Baltimore Plan and programs of other cities look to wider application of civic improvement principles. As Yates Cook and other leaders see the picture, American cities are badly in need of general overhauling not only to rehabilitate existing slums, but to prevent additional areas from becoming run-down.

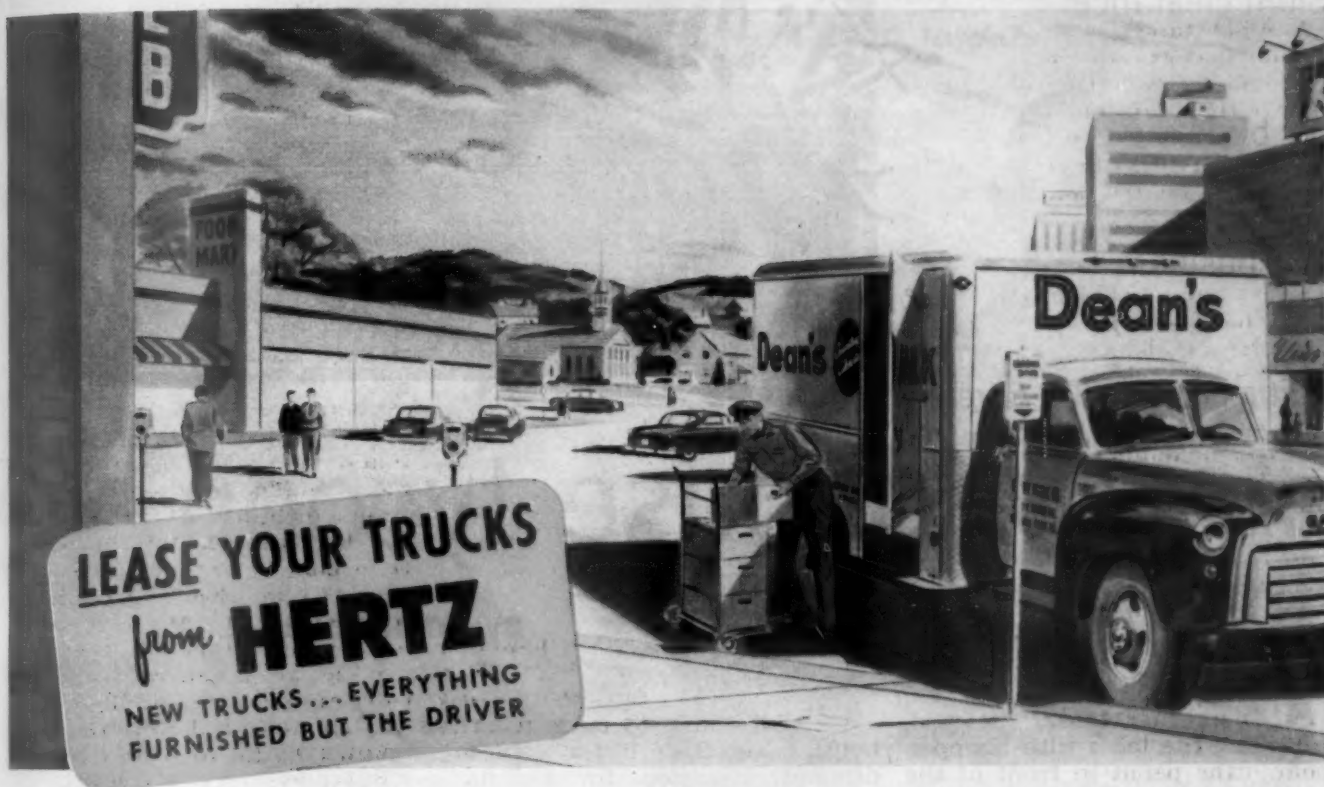
In the last analysis, American housing experts agree that the best system to save U. S. cities from slums and decay was recently defined tersely and simply by a distinguished visitor from Sweden. The visitor had finished a tour of American cities, and was being questioned on his impressions. An American city engineer asked the visitor what his own country did about slums.

"What do we do about slums?" the visitor repeated as his eyebrows raised a little. "Why, it's simple. We don't let them happen." **END**



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NATIONAL HEADQUARTERS

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Slum clearance

for birds

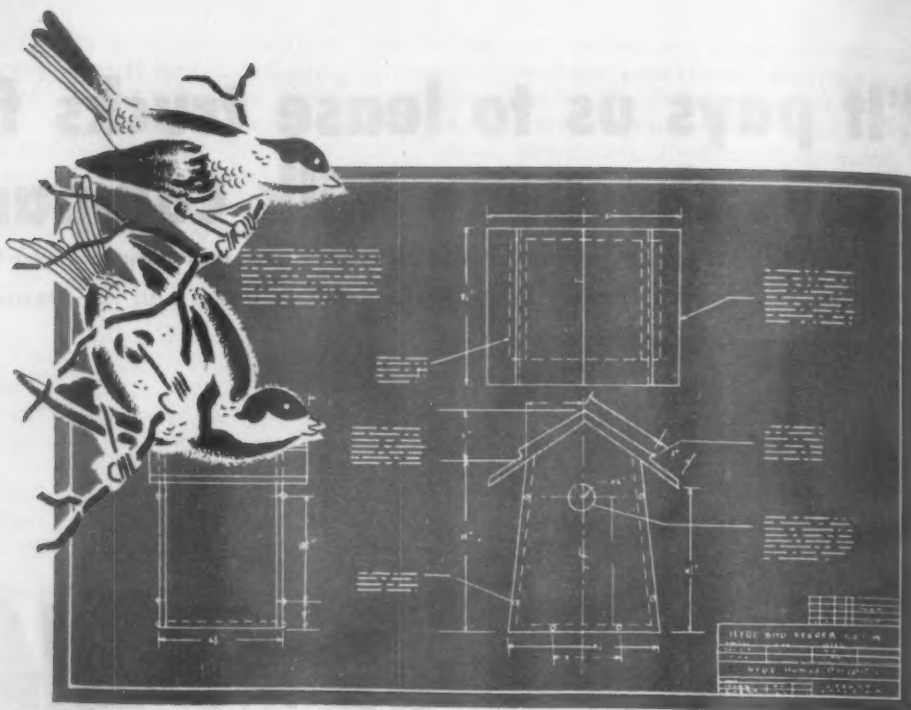
is a business

doing \$1,000,000 a year

for America's

# birdhouse tycoon

By JOHN O'REILLY



**"AND** another thing," he said, whacking the table with his open palm, "the perch in front of the hole must go. The birds don't need it and their enemies can sit on the perch and reach in through the hole and grab 'em. Did you ever see a woodpecker's hole out in the woods with a perch in front of it? Of course not! The birds have more sense."

Donald B. Hyde was at the convention of the Northeastern Retail Lumber Dealers' Association. Delegates were listening—as people always listen when he warms to his favorite subject:

Slum clearance for birds!

As the nation's first birdhouse tycoon, Mr. Hyde has become the champion of better housing conditions for our feathered citizens.

"Thousands of well meaning Americans spend money on lumber, paint and nails each year to build birdhouses without any thought of proper design," he charges, adding, "the result is often no more than a miserable shanty."

"They are under the delusion that any six pieces of lumber nailed together with a hole in it is a birdhouse, but it isn't. A birdhouse is a scientific thing. The public has to be educated."

When it comes to modern bird housing Mr. Hyde has a right to demand attention for he has turned birdhouse construction into big business. As president of Hyde's, Inc., of Waltham, Mass., he does a \$1,000,000-a-year business in birdhouses and bird feeders. On top of that he conducts widespread operations in bird food. The bulk of his sales are in the United States, but he also exports to many foreign countries.

Mr. Hyde is both inventor and manufacturer. He is the Frank Lloyd Wright of birdhouse architecture, having originated many modern designs featuring a simplicity that sometimes borders on the severe. His designs emphasize straight lines and bold corners. He loathes cramped quarters for birds and looks upon the rustic, gingerbread type of birdhouse with a feeling verging on disgust. Always he keeps the bird in mind.

In a search for inspiration in designing birdhouses, Mr. Hyde went right to nature. His lengthy research included a study of dead trees with woodpecker holes in them. He came to accept the woodpeckers as nature's carpenters. They build new nests every year and then other birds come along and use the old ones. Exhaustive

study of woodpecker nests gave him many ideas.

"But now everybody insists on cutting down dead trees so we even have to put up birdhouses for the woodpeckers," he said.

His aim is to combine simplicity with comfort. Take, for example, his plans for a wren house. He insists that the hole be elliptical instead of round. The reason for this feature, he explains, is that wrens have a habit of lugging large, ungainly twigs into the house for nesting material. As with the human family, the male will carry into the home a lot of twigs only to have the female throw them out again. All this twig carrying seems to be necessary, and it is much easier for them to get the twigs through an elliptical door than a small round one.

These and many other secrets Mr. Hyde learned from nature and incorporated them in his designs.

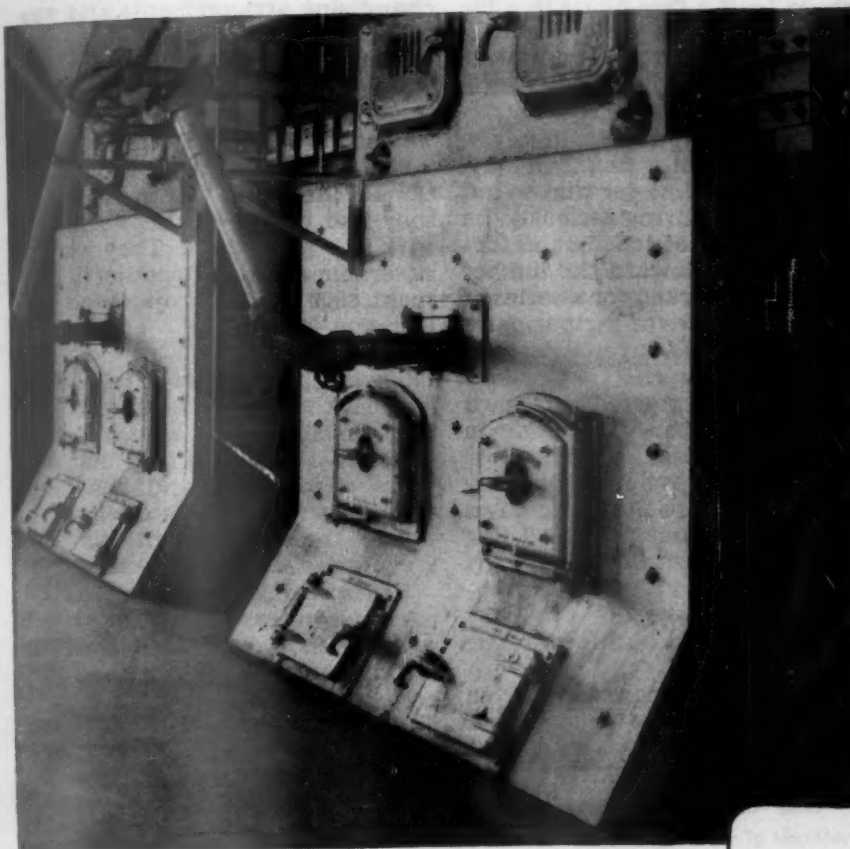
"As a result of working out these features I can guarantee occupancy," he says.

Mr. Hyde is tall and square shouldered, and he has the robust approach and the hearty manner of the successful man. He is bald, a condition that led him to form a national organization of bald-headed men, dedicated to the pur-



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**says Mr. William C. Musch,  
Chief Engineer, Allen Memorial  
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Of all fuels, only coal has ample reserves for the future. And to produce this coal, America has the world's most efficient coal industry. That means that coal users, unlike those committed to other fuels, get the advantages of dependable supply and relatively more stable prices—now and for the future!

## **If you operate a steam plant, you can't afford to ignore these facts!**

- COAL** in most places is today's lowest cost fuel.
- COAL** resources in America are adequate for all needs—for hundreds of years to come.
- COAL** production in the U. S. A. is highly mechanized and by far the most efficient in the world.
- COAL** prices will therefore remain the most stable of all fuels.
- COAL** is the safest fuel to store and use.
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pose of saving the American bald eagle. It is known as the American Bald Eagle Club, "sustained by balding pates and silvering domes." At the time the club was formed there was a \$2 bounty on the American eagle in Alaska. The bounty since has been removed. Mr. Hyde feels that his organization was helpful in bringing about this step toward saving the national emblem.

**S**INCE he built his first bird feeder 15 years ago, Mr. Hyde has become deeply interested in ornithology. He has amassed a fund of bird lore and whenever he is engaged in conversation he likes to throw in bits of bird information. Coming at unexpected moments, these birdy statements are sometimes startling. Here are some of them: "Confucius once made a bird-house."

"If a man could fly with the efficiency of a hummingbird he could fly around the earth at the Equator in three minutes."

"If a woman with twins had to do as much work feeding them as a mother bird does, she would have to go into the woods and carry back 500 buckets of maple sap every day."

"Even among birds, males are lousy housekeepers."

"The early American Indians put up gourds for birdhouses."

Mr. Hyde rose to eminence through applying natural talents he displayed as a boy. He was born in Talbotton, Ga., but his family soon moved to Cordele, a center of the long-leaf pine lumber industry in the same state. As a youth, his first job was a messenger boy for the Western Union Telegraph Company, but his other activities were many. He was always up to something.

"I was a born gadgeteer," he admits.

One of his first projects involving design and construction came when he used a soapbox to make a brooder house for white rats. He added a screened solarium for them to romp in. The rats kept multiplying, so he got some large packing boxes and began adding sections to his rattery. It grew to be an imposing structure and young Hyde soon became the rat king of Cordele.

But, unknown to him, the rats tunneled through the floor. They kept digging until a maze of tunnels reached out in every direction. One day a man with a wooden leg walked by the Hyde home and fell through the sidewalk, breaking his wooden peg. Investigation dis-

closed that he had crashed into a rat tunnel. It was then that young Hyde was forced to abandon the rat business.

This was only one of a series of early construction projects. With other boys in the town, he dug a cave. It was no ordinary cave but a 14-room affair, lined with lumber from packing cases. Young Hyde also was the engineering genius who worked out plans for an elevator when the boys in his neighborhood built a tree house in a big oak.

His first project involving birds was the building of a cage for a pet mockingbird.

None of these projects, however, was successful in a financial way. When it came time for him to get out and earn a living seriously, he tried a number of jobs but naturally gravitated toward the lumber business. He worked for a series of lumber companies in various parts of the country as buyer, salesman and sales manager.

In 1933, he started his own wholesale lumber business in Framingham, Mass., near Boston. The business prospered. One day his wife went in to Boston to buy a bird feeder for their back yard. She couldn't find a suitable one, so she told her husband about her problem.

"I'll make you a bird feeder," he announced.

It was that remark which started him on the road to becoming a

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"One of the most profitable methods of wearing out a business suit is by rubbing elbows with employees."—Shannon Fife

---

birdhouse tycoon. He designed and constructed a feeder with a glass top and sides. It was fastened to the window sill with screws. It was an instant success with the birds. When the neighbors saw it they wanted some like it.

The word soon spread around Framingham that a man had appeared who could make a better bird feeder. The townspeople beat a path to his door. For a time he made feeders and charged only the price of the lumber and glass. There were so many requests that he got the idea of building bird feeders for profit. His first order was for one dozen feeders for a local hardware store.

He enlisted college boys in summer to canvass such stores all over New England. Soon the feeders were selling so fast that he had to

parcel out the work to woodworking shops.

Things seemed rosy until he made a costly mistake. While traveling through Maine he came upon an Indian who had two acres covered with birdhouses, spread over the place in endless variety. He bought \$200 worth and considered himself lucky at having found a great source of birdhouses for only 35 cents apiece. He spent money on advertising and merchandising arrangements and was all set to add birdhouses to his feeder line.

Then he discovered that of all the houses he had bought, only one was fit for a bird to live in.

"They were artistic but not functional," he says. "In three weeks they had cracks in them and the bark was peeling off. They were a miserable sight. Altogether I had spent \$500 on the project and got just one birdhouse."

**I**T was this incident that sent him back to nature to learn about bird housing. His mistake only added to his zeal. It took him five years of research and trial and error to work out the designs for each of the common birds that will use a house as a nesting place.

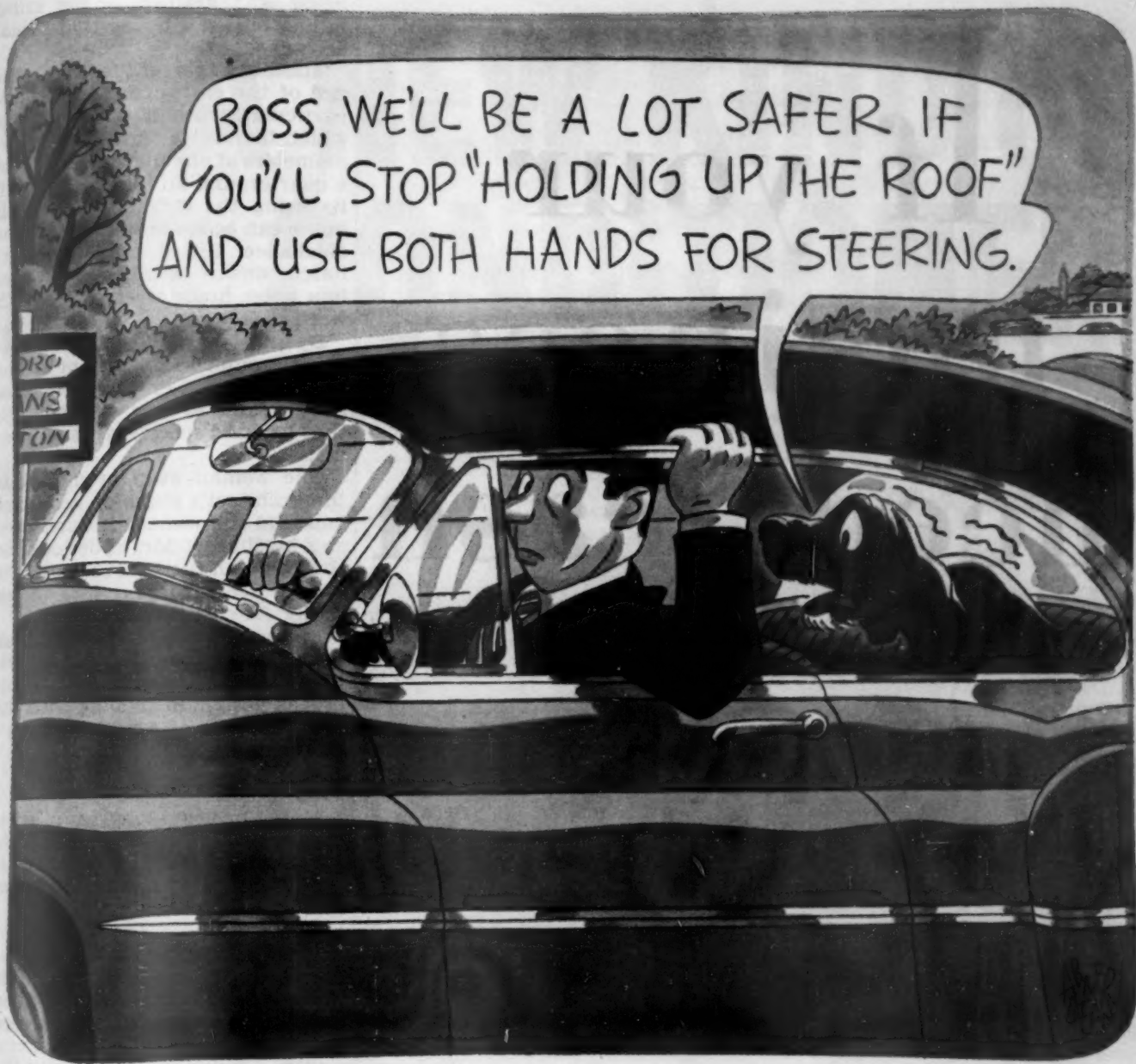
He learned, for example, that the bluebird prefers a house six inches wide, seven and a half inches deep and 11 inches high. Furthermore he found that the chances of bluebirds moving into a house were greatly increased if the house was put up on a post or against a wall at a height of four to eight feet from the ground.

He discovered that flickers and woodpeckers don't like to take a lease on a house unless the landlord has covered the bottom of it with several inches of wood shavings or sawdust. This makes it seem more like a hollow tree. The robin prefers a simple, shelf-like structure nine by seven and a half inches, with a sheltering roof. This structure also will be used by phoebes and barn swallows.

Mr. Hyde insists that all houses should be plenty deep, lest nestlings fall or get pushed out. His houses range from six to eight inches from the bottom of the hole to the floor. Ventilation and drainage are important. His houses have ventilation slots under the eaves, drainage cracks in the bottom.

"The test," he said, "is how many healthy, robust young are raised to maturity in a birdhouse—not that a mother bird has been deceived into using it. Her efforts will be in vain if the nestlings suffocate from excessive heat, drown because the





*In some States you are required by law to keep both hands on the steering wheel. Modern cars and modern highways can make steering seem like a simple, one-finger job. But in emergencies, you need both hands—and you need them fast . . . faster than you can move a hand from the window to the wheel.*

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house isn't drained, or get killed falling out of a house that is not deep enough."

Another important feature is the size of the entrance. Mr. Hyde is particularly proud of one house which features a choice of holes—diameters of one inch, an inch and a quarter, and an inch and a half. By using the different holes this house can be made suitable for the chickadee, tufted titmouse, nut-hatch, downy woodpecker, Carolina wren, house wren or Bewick's wren.

By now he had become recognized around Framingham as the man to consult on bird problems. People came to him with requests that he build special types of bird-houses.

One woman even brought him the architect's plans of her home and said she wanted it duplicated as a birdhouse. Mr. Hyde took the contract and turned out one of the fanciest construction jobs of his career. It cost the woman \$800.

However, Mr. Hyde has given up special jobs—too many headaches. Now he turns out only products of proven design, in keeping with the best practices of American manufacturing.

**HIS** birdhouse business grew so fast that he bought a plant in Somerville, Mass., outgrew that and in 1944 bought a factory site in Waltham. The plant has 35,000 square feet of floor space.

There are woodworking shops where the birdhouses are manufactured, and a department for processing suet at the rate of a ton a day. The suet is mixed with seed and made into various types of bird tidbits. During the busy season Mr. Hyde employs more than 100 men and women, building the houses, processing the food, packaging and shipping.

Workers may be preparing a shipment of sunflower seed for Hawaii or packaging some bird-houses to be sent to bird lovers in England.

The company sends out an average of 100 catalogs a day to many parts of the world.

There is a West Coast distributor and others in Chicago, Atlanta and Washington, D. C. Alaska is represented by a dealer in Fairbanks. Ardent bird feeders have ordered as much as 1,000 pounds of bird food from him at a time.

For steady feeders, a certain amount of food is shipped each month, a sort of bird food-of-the-month club.

Mr. Hyde's home in Newtonville, not far from his factory, is unques-



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Burroughs adding machines are priced as low as \$120 plus applicable taxes. And getting the *right* answers the *first* time—and for a *lifetime*—saves you money, too. For 67 years Burroughs adding machines have been universal favorites. Their unfailing accuracy on any kind of figuring has built for Burroughs a world-wide reputation for dependability.

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Burroughs Adding Machine Company,  
Detroit 32, Michigan.

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**Burroughs**



tionably the home of a bird lover. The bird motif is everywhere. He has bird chinaware, matchboxes, lamps, and Oriental rugs with birdy designs. About the house are more than 500 hand-carved wooden figures of birds. Aware of his interest, friends always send him Christmas cards bearing bird designs.

He has gotten his neighbors each to plant a shrub or two of types beneficial to birds. "My whole neighborhood is a sanctuary and it is studded with bird feeders," he says.

His boyhood penchant for odd construction is again being manifested.

For seven years at home he has been fixing up his basement. It is paneled and has all sorts of racks, cupboards and furniture in which he has used 212 different kinds of wood.

"Perfect strangers come up to the front door and want to see our basement," he says, proudly.

The birdhouse tycoon considers that his greatest contribution to conservation these days lies in his lectures.

He has made a motion picture of bird life which he shows while he talks to civic organizations, garden clubs or any group interested in birds.

**W**HEN asked whether he likes the birdhouse business better than the lumber business he grinned.

"It's a challenge," he said. "The way the lumber business is today I could make more money with less effort, but there is something alive about this birdhouse business. After all, what kick do you get out of selling a carload of two-by-fours?"

"If you can bring more fun and beauty into the world you are making life worth while.

"Did you ever stop to think that our Thanksgiving bird is the turkey; our national emblem is the eagle; the bird of religion is the dove, the dove of peace. Why, the whole history of America is tied up with bird lore.

"And another thing. When I'm attending a convention or traveling on a train and get to talking to a bunch of businessmen, one of them is sure to ask 'What's your line?' When they do I look 'em right in the eye and say, 'Bird-houses.'

"Believe me—that's when they sit up and take notice."

The birdhouse tycoon grinned again and adjusted his necktie. The cravat bore a design of three mallard ducks in flight. **END**



# Who got the most from our customer's dollar?



## The employees?

**NO!** In wages, salaries and benefits, our employees received 14½¢ out of every dollar paid in by Union Oil customers during 1952.

Our payroll, including benefits, totaled \$50¼ million. Divided among our 8,756 employees, this amounted to an average of \$5,810 per person.



## The shareowners?

**NO!** Our profits in 1952 were \$27¼ million, or 8¼¢ of each customer's dollar. Of this amount, our preferred and common shareowners received 3½¢ per customer dollar. Total dividends paid to our 40,302 owners of common shares averaged \$261.34 per person.

The remaining profits of 4¼¢ per customer dollar had to be returned to the business to help pay for replacement of worn-out equipment and necessary expansion required by the West's greatly accelerated demand for petroleum products.



## The tax collectors?

**YES!** The federal, state and local tax collectors got 18½¢ of every dollar paid in by Union Oil customers. In other words, they got more than five times as much as the owners of the business and one quarter more than Union Oil employees.

The remaining 58½¢ of the customer's dollar was divided among the many costs of doing business: raw materials, transportation; interest on borrowed money; and wear and tear of facilities and exhaustion of oil and gas reserves.

**To sum it up—**1952 was the best sales year in our 62-year history. Yet the 40,302 owners of our business received only a fraction over 3¢ from every customer's dollar. That's far less than many people in this country believe goes to the owners of a big business.

**UNION OIL COMPANY**  
OF CALIFORNIA  
INCORPORATED IN CALIFORNIA, OCTOBER 17, 1890

*This series, sponsored by the people of Union Oil Company, is dedicated to a discussion of how and why American business functions. We hope you'll feel free to send in any suggestions or criticisms you have to offer. Write: The President, Union Oil Company, Union Oil Building, Los Angeles 17, California.*

Manufacturers of Royal Triton, the amazing purple motor oil

# Reporters sing his praises

By **GEORGE KENNEDY**



UNITED PRESS

*Treasury Secretary Humphrey has a way of inspiring confidence—whether he talks of money or iron ore*

**A** FIRST acquaintance with Mr. George M. Humphrey might be in reading an unpromising looking volume entitled "Hearings Before the Committee on Public Works, House of Representatives, Eighty-first Congress, Second Session, on House Joint Resolution 271"—the legislation authorizing the St. Lawrence Seaway.

It's pretty dull until page 233 when Mr. Humphrey, chairman of the board of the M. A. Hanna Company, takes the stand. Immediately an extraordinary personality begins to stand out on the printed page. He tells the story of one of the great industrial adventures of our time, the M. A. Hanna Company's development of the iron ore in Labrador.

It's exciting. The discovery at Sutter's Mill that led to the California gold rush of 1849 fades into insignificance as the witness suggests the amount of ore for the continuation of the steel age that lies close to the surface in the barren Labradorian wastes.

The Hanna explorers tried to locate their camp where there was no ore, so they would not have to move it later. When the first drill was flown in, they just had to try it—and they proved 14,000,000 tons right under their camp buildings.

The deposits are in an area 100 miles long and eight to ten miles wide—far larger than the Mesabi Range in Minnesota. When they

had proved 350,000,000 tons (there is a lot more), Hanna and the companies associated in the venture borrowed \$200,000,000 from insurance companies, pledging the ore as security, and began building a double-track, 360-mile railroad to the ore from the St. Lawrence.

They drilled a tunnel a half mile long to bring it through the Laurentians with a grade against the loads of only 0.2 per cent—that is a climb of two feet in every 1,000. It will be carrying 10,000,000 tons of ore annually by 1960.

When he finishes his story, the questioning begins. Mr. Humphrey's situation is not an ideal one. Three years before, a vice president of the Hanna Company who was in the habit of referring to the seaway in private conversation as "that Socialist ditch" had testified against the project although his company was already interested in the Labrador ore.

It was another instance of the known tendency of businessmen to be true to principles that enlist their emotions even when the principles conflict with their interests.

Questions come fast. In answering them, Mr. Humphrey has in his mind or at his fingertips the depth over the sills at the Soo locks and those in the Welland canal, the rail distance from Montreal to Pittsburgh, from Ashtabula to Pittsburgh, from the Delaware to the

Monongahela; the ocean mileage from Seven Islands (the St. Lawrence terminus of his railway) to Baltimore and Philadelphia, and from the Orinoco (the shipping point of Venezuelan ore) to the same two cities. He also has the capacity in tonnage of all the steel making centers, the production costs of taconite (iron from ore-bearing rock), the tonnage in sight at the Mesabi Range and the comparative chemistry of ores.

It is a remarkable performance. When he has finished one congressman tells him that he has learned more from his testimony than from ten years' service on the committee.

Mr. Humphrey is one of the most difficult members of Washington's official family to catch. Before the inauguration he was in and out of his Cleveland office, and very seldom in. Much of that time he was in Washington closeted with John Snyder whom he was to succeed.

I finally buttonholed him at the end of a meeting of the cabinet-to-be in the Hotel Commodore in New York and suggested a talk in his room. He was no disappointment. The words "affable," "engaging," "magnetic" hardly do in explaining George Humphrey, who has caused a contest among political reporters in singing his praises since he came to Washington although he is not a talker.

It's probably because he still has



## AMERICA'S NEW RAILROAD



# "I want a ticket on the Atomic Super Chief!"

*Well, sonny, just hang on to that dream. By the time you're a full fare, it might come true!*

Of course there is no "Atomic Super Chief" . . . yet.

But, don't sell American ingenuity and progress short. At the rate things

grow new for you on the Santa Fe, you only need to squint your mind's eye just a little to see tomorrow streaming toward you down the track!

You can almost feel the future of Santa Fe in the quickened tempo of its progress in the recent past.

Just count the growing number of Santa Fe diesels that speed your freight and smooth your ride today.

Nineteen years ago there weren't any. Today there are 1422 units. By year's end there'll be 97 more. Steam is disappearing fast. And more than 250 coaling and watering stations have bit the dust.

Santa Fe folks just don't dally when it comes to building new.

For today the Santa Fe is America's new railroad. And it's going to stay that way by growing newer every day—in every way that can mean new safety, better service, new comfort and dependability for you.

It costs millions of dollars to serve you so. But it doesn't add a penny to the taxes you pay. Santa Fe folks are proud of that, too—proud that the newness of the Santa Fe is a part of American progress that pays its own way.

**SANTA FE SYSTEM LINES**



**PROGRESS THAT PAYS ITS OWN WAY**



Architects: Weiss & Silverstein, New Orleans

## A MIRROR becomes A GARDEN at the flip of a switch

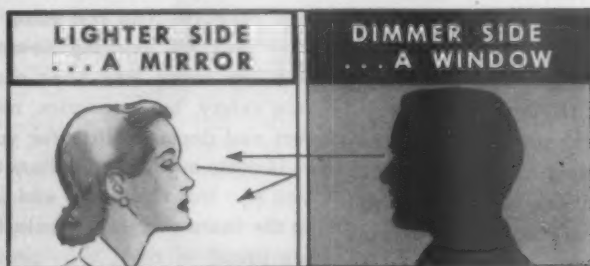
This may suggest a way in which you can work a dramatic change in the wall decoration of a room.

During dinner in the Cotillion Room of the Jung Hotel, New Orleans, the brightly lighted scene is reflected in great paneled mirrors on the wall beside the orchestra. When dancing starts, lights are dimmed in the dining room and an illuminated garden appears where the mirrors were seen.

The mirrors are transparent—*Mirropane*®. You can see through *Mirropane* when there is bright light behind it and dim light in front. When it's the other way—bright in front and dim in back—*Mirropane* reflects like a mirror.

*Mirropane* has many possibilities for decorating restaurants, clubs, lobbies, lounges and stores. *Mirropane* is also used to provide sight unseen wherever you may want to observe what is going on without being seen yourself. For more information, call your L·O·F Glass Distributor or Dealer, listed in classified telephone directories in many principal cities.

®



# MIRROPANE

## TRANSPARENT MIRROR

Product of Liberty Mirror Division

LIBBEY-OWENS-FORD GLASS COMPANY • LM253 NICHOLAS BLDG. • TOLEDO 3, OHIO

the qualities that made him a schoolboy hero. He was halfback on the Saginaw, Mich., high school team that won the state championship, the president of his senior class. Today he is a man who is sure of himself and at ease in any environment, even such a difficult one as the Treasury of the United States.

He has been remarkably successful on the labor front (as head of the largest coal company, Pittsburgh-Consolidation, he teamed up with Benjamin Fairless of United States Steel for a meeting with John L. Lewis that avoided an industry-crippling strike).

What he was most concerned about just before the inauguration was not the balancing of the budget nor the fight on inflation but the necessity of giving some incentive to venture capital.

"Brave" money, he called it. "There's plenty of prior lien money," he said. "But there's no brave money because it is not rewarded. Something has to be done about that."

**GEORGE HUMPHREY** at 63 has a bigger waist measurement than he likes; leans forward a bit even when walking; has a wide smile, blue eyes and one outstanding characteristic, a strand of hair up center that keeps him from being bald.

"I thought I was looking just right," he told a fellow guest at a dinner party the other night, "and then I looked in the mirror again and discovered my hair was not parted in the middle. There were three hairs on one side and five on the other."

He was very modest about his participation in the sport of kings when reminded that he was the first Secretary of the Treasury whose colors have been worn on the tracks since the last Republican incumbent, Ogden Mills.

Like Ogden Mills' famous and successful opponent in New York, Mr. Humphrey has a way of encouraging the idea that he reads only one book. Al Smith said his book was the "Life of John L. Sullivan." Mr. Humphrey says his only reading is the annual edition of "The Blood Horse."

"I did have a filly that won a few races. Her name was Hummy, not after me; that's the name that my grandchildren gave Mrs. Humphrey."

A check on the record books shows that Hummy was a very good filly. This daughter of the triple crown winner Whirlaway (Kentucky Derby, Preakness and Bel-



mont), who was a son of the great Blenheim II, started 12 times. She won four races and was in the money in all but two. She earned \$12,750.

In Washington, Mr. Humphrey has had a chance to get acquainted with the photographers, and the photographers with him. During one of his first days at the Treasury he agreed to give a photographer three minutes at the entrance while he was on his way to a cabinet meeting. The photographer seemed to be taking a long time in arranging his lighting effect.

"You had better hurry up," said Mr. Humphrey. "You've taken two minutes already."

"Mr. Secretary," said the photographer, "suppose you stick to balancing the budget and let me take the pictures."

Mr. Humphrey hooted at that one and the photographer got a good picture. It took 1/100 of a second.

Miss Mary G. Kelly, who was Mr. Snyder's secretary still presides in the outer office. Mr. Humphrey has succeeded in amazing her with his clean desk techniques. When he comes back from a meeting, she brings him the accumulation of memos and messages that have passed through the fine mesh of her final screening. He passes on them all then, never allowing her to leave anything with him.

A magazine writer who arrived on a Monday from New York at 1 p.m. requested an interview with the Secretary during the week. Mr. Humphrey came back to his office shortly after and said he would see the writer that day at 2. The staff had to send a messenger to the National Press Club dining room and bring the man back. He was understandably surprised.

**T**HE only noticeable change in the Secretary's office is in the selection of the huge portraits of former secretaries. John Snyder is on one wall, Andrew W. Mellon, whose portrait has been out in a hallway for the past 20 years, is behind him. Alexander Hamilton is on his left and Albert Gallatin on the far wall from his desk.

The Secretary appeared to be a bit tired, but although another answer was suggested by the question, he said he was satisfied with the powers of his office. The usual story is that every new Secretary of the Treasury discovers that he is merely a Chancellor of the Exchequer.

No, he said, the Secretary of the Treasury has the cooperation of the President and the Director of



## Here's a Hole

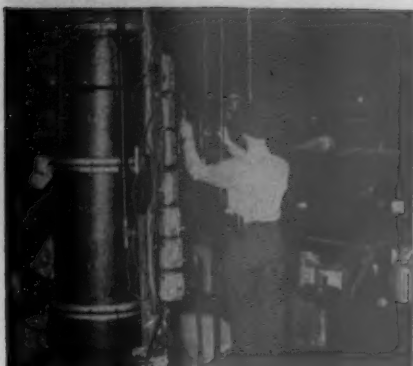
### 188,000,000 FEET DEEP!

One hundred and eighty-eight million feet down!...that's the total feet of hole your American Petroleum Industry drilled in 1952. It represents the 48,800 new wells they completed throughout the United States. So what? ... So it means a greater reserve of oil than ever before in U.S. history. It's oil needed to meet the all-time peak demand of the American consumer... estimated as high as 8,022,000 barrels a day in the last quarter of 1952!... and it cost the industry 4 billion dollars to produce these truly outstanding results!

Cities Service drilled 375 miles of holes itself in 1952, carrying on exploration activities during the year that extended over 26 states, and into Canada and Mexico, and produced 43,000,000 barrels of liquid petroleum. Cities Service is proud to play its part in this tremendous effort to keep our standard of living the highest in the world... to keep America vital and strong for its role as the leader for world peace.



An Important part of the American Oil Scene



**TAX LOSS: \$750,000.** This still, seized in January, 1953, in Brooklyn, had a daily potential output of over 10,000 "fifths" of illegal whiskey. Government agents estimated the Federal excise tax loss at \$750,000 during the 3 months it operated.



**TAX LOSS: \$247,500.** This innocent-looking cottage in a quiet Long Island suburb housed a still that had been operating at capacity for five months when seized April 11, 1951. Local police said it cost the Government \$247,500 in taxes.



**TAX LOSS: \$42,000 A DAY.** Last September, Philadelphia police seized their biggest still since Prohibition, capable of producing over 40,000 "fifths" of bootleg whiskey a day. Every day it operated at capacity, according to police, it robbed the Government of \$42,000. Commented a local newspaper: "Raiding stills is fine, but the most effective way to stamp them out is to reduce taxes to the point where the legitimate products will be preferred to those which often bring death and illness."

## BOOTLEGGING

*... a vicious racket hits the big time*



**TAX LOSS: \$12,000 A DAY.** Revenue agents said this modern still, captured near Lakewood, N. J., in October, 1952, was able to cheat the Government of over \$12,000 every day it operated. The gang had erected a special building with a peaked roof to hide the 22-foot still from passing motorists.

When the Federal excise tax on distilled spirits was increased from \$6 to \$9 a gallon in 1944, the profit to be made from illegal "no-tax" whiskey was too big for organized crime to ignore very long.

By 1946—with copper, sugar and other raw materials available—underworld bankrolls were financing stills, warehouses, trucks and salesmen in setting up shop in and near metropolitan cities.

By 1951, Federal seizures of moonshine stills had jumped from 6,461 to 10,250\*... an increase of 59% since 1946. More alarming, their daily producing capacity had more than doubled\*. Today, when undermanned law enforcement agencies are able to seize a still, they find more and more of the mass production equipment pictured above.

And today, the Federal tax is not \$9 but \$10.50 a gallon. The last tax increase of November 1, 1951, simply made a bad problem worse.

The bootlegger is more than a thief of Government tax millions. He breeds graft, corruption, disregard for law and order. Sickness, blindness, sometimes death itself, come from his bottle.

What's the answer?

The legal distilling industry proposes: (1) Reduce the excise tax to a realistic \$6.00 a gallon rate, which would still be 167% higher than it was in 1939. (2) Increase the penalties for illegal distilling. (3) Increase Federal and state enforcement staffs.

Before you agree or disagree with these recommendations, please read the "Tax Facts" column at the right.



\*Source: ATTD, Bureau of Internal Revenue, U. S. Treasury Dept.

PUBLISHED IN THE PUBLIC INTEREST BY **LICENSED BEVERAGE INDUSTRIES, INC.,** 155 EAST 44TH ST., NEW YORK 17, N. Y.  
IN BEHALF OF THE PRODUCERS AND MERCHANTS OF ALCOHOLIC BEVERAGES



## TAX FACTS



When you pay around \$4.27\* for a "fifth" of your favorite whiskey, you actually pay about \$1.89 for the whiskey itself, about \$2.38 more in Federal, state and local taxes.

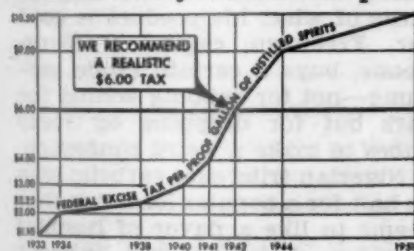
That's like paying a "sales tax" of 125% on the merchandise! Taxes take over half of your liquor dollar!

Here's what happened during the first full year (Nov. 1, 1951—Nov. 1, 1952) of the present \$10.50 per gallon Federal Excise Tax...

- ... You had to pay \$237 million more in liquor taxes than you would have paid at the \$9 rate.
- ... Your Federal Government gained only \$30 million in liquor excise revenue... an increase of less than 2%... because you bought less legal liquor.
- ... Your Federal Government lost about \$40 million in corporate income taxes as profits declined with drastically falling legal liquor sales.
- ... Your Federal Government lost additional millions in personal income taxes as distillers, wholesalers, retailers and suppliers cut their payrolls and dividends.
- ... Your State Governments lost approximately \$33 million in liquor tax revenue... money badly needed for welfare and other vital programs.

Under the \$10.50 tax, bootleggers had more reason than ever before to defy the law. In 1951 alone, Federal and state authorities with lamentably inadequate staffs were able to seize 20,402 illegal stills. No one knows how many thousands more escaped seizure.

### A Tax Increase of 854% Since Repeal!



Since the \$9.00 tax went into effect in 1944, whiskey has carried the heaviest Federal tax burden of any commodity or service. On top of today's prohibitive \$10.50 rate you must pay an average of \$2.80 a gallon more in other Federal, state and local taxes!

### Distilled Spirits vs. All Other Excise-Taxed Products—1939-1951

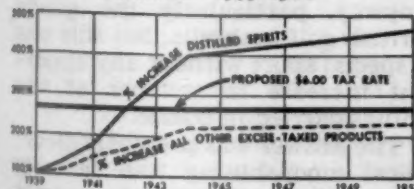


Chart above shows what's happened to distilled spirits vs. all other excise-taxed products and services since 1939. The \$6.00 rate proposed by the legal distilling industry represents a 167% increase over the 1939 level, as compared to an average increase of 129% on all other excise-taxed products and services.

\*The average national retail price

LICENSED BEVERAGE INDUSTRIES, INC.

the Budget and the Federal Reserve Board. That gives him enough power. But to change things too fast would be disastrous. That was true in big corporations as well as in the Government.

How was he getting along?

"All right, except fellows like you come in and take up my time," he bantered in a friendly way.

How did he like it?

"Well," he said with a smile, "I didn't ask for it. But somebody's got to do it. If there wasn't a Treasury, there'd be no United States."

Did he take much work home?

"Oh, no," he said, as though dismissing a silly question.

Was it the toughest job he had ever tackled?

Again a grin. He didn't know. He left you with the impression that the difficulties of this job, or any other job he had ever tackled, hadn't bothered him much.

"The trouble is, you don't get time to think," he said.

HE was definitely of the opinion that making it a little more expensive for everyone to borrow money, through allowing the interest rates to go up in the management of the \$267,000,000,000 national debt, was secondary to budget balancing in the fight on inflation. He is allowing the interest rates to increase as portions of the huge debt are refinanced, but he is keeping his eye on the budget as the main problem.

Speaking of government borrowing, he said that one had to be careful; there is only so much money in the country and it wouldn't be fair to business if the Government borrowed too much.

That was all. The impression carried away was of a man confident that he and his associates (the Administration) would be able to work things out.

Now as the late Lord Macaulay would say, every schoolboy who has taken Economics I knows that there is no limit to the money that can be created by expansion of credit in a central banking system. But it is encouraging to have a Secretary of the Treasury who believes that there is only so much money that Uncle Sam can borrow.

One of his assistants reports that Mr. Humphrey is amazed at the number of requests that come to him to make speeches. When this was written the requests had mounted to around 1,000 and he has made only a few.

He does the necessary, however. The other day a group of magazine publishers and editors, who give the Government \$9,000,000 in ad-

vertising for the savings bond program each year for free, were meeting in the Treasury on the fifth floor. An assistant stopped by the Secretary's office to remind him he was to address them.

"Will five minutes be all right?" asked Mr. Humphrey.

The assistant said it would.

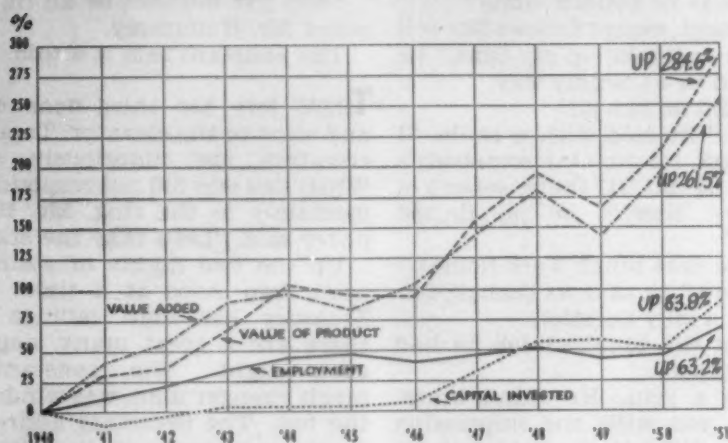
THEY left his third-floor office and went to the elevator. Treasury elevators are notoriously slow. When this one did not respond immediately to the ring, Mr. Humphrey said, "Let's take the stairs."

Up the two flights of stairs he went, two steps at a time. The Treasury has high ceilings and there are a great many steps in each flight. The assistant, a much younger man, was winded at the top. The Secretary addressed the magazine men on the program and succeeded in making them feel that their coming to Washington was worth while.

Occasional television appearances have been another of the things considered necessary. One of his first ones was on Eric Sevareid's "State of the Nation." A dozen of his assistants wrote out what they thought he should say. He reduced it, in his own handwriting, to one remarkably inclusive statement.

"First," it went, "that we will have a sound and stable dollar, not one of declining value; second, that we do not spend more than we earn; third, that we pay a little down on our debts from time to time instead of rapidly borrowing more; fourth, that we keep our credit good by properly managing the debts we already have; fifth, that slowly but surely and definitely we reduce the too heavy burden of taxes which, buried in the cost of everything that we buy, are stifling initiative and increasing the cost of living; sixth, that we maintain free markets in which the great American consumer can buy what he needs when he wants it and choose for himself what he will buy at prices he is willing to pay; seventh, that producers are free to strive to produce more, better and cheaper goods to compete for the consumer's favor in buying their particular products in competition with everything else; eighth, that we protect the savings of the old, their insurance and their pensions; ninth, and above all, that we preserve for the young the great symbol of America, the opportunity to advance and improve themselves to the limit of their own abilities and their own hard work and endeavors." END

# Chemicals become fastest-growing industry in Pennsylvania



By increasing their annual product value from \$518,000,000 in 1940 to \$1,992,000,000 in 1951, the chemical and chemical products industries in Pennsylvania grew at a rate that surpassed all other industries.

In the field of organic chemicals, Pennsylvania's great coal reserves and huge petroleum refining facilities make this a key state.

In the field of inorganic chemicals, there is a great concentration of chemical-consuming industries in this three-state area, and they buy more than one-quarter of all the inorganic chemicals used in the entire nation.

Most of the non-metallic minerals required by the chemical industry also come from this three-state area.

We will be happy to furnish information regarding sites, buildings, taxes, labor supply and markets for a new plant for your company in Pennsylvania.

Pennsylvania has led every other state in plant construction in every report of the U. S. Census of Manufactures since the war, in every U.S. Annual Survey of Manufactures and in the reports of the Defense Plant Administration. Here is the "value of product" of the other principal industries in Pennsylvania in 1951 and their percentage of increase since 1940:

	1951 VALUE OF PRODUCT	INCREASE 1940 to 1951
Clay, Glass and Stone Products	\$ 644,891,100.00	212.1%
Food & Kindred Products	2,351,433,900.00	217.4%
Leather and Rubber Goods	587,816,900.00	236.0%
Lumber and Wood Products	292,184,300.00	266.5%
Metals and Metal Products	11,137,321,500.00	278.2%
Mine and Quarry Products	1,093,557,400.00	141.5%
Paper and Printing Industries	1,233,183,700.00	231.4%
Textiles and Textile Products	2,375,726,200.00	198.7%
Tobacco and Tobacco	147,280,100.00	59.6%
Miscellaneous Products and Railroad Repair Shops	1,241,869,700.00	192.6%
Chemicals and Chemical Products	1,992,398,400.00	284.6%
Total Manufacture and Extractive Industries	\$23,097,663,200.00	239.6%

Source: Department of Internal Affairs

DEPARTMENT OF COMMERCE

## COMMONWEALTH OF PENNSYLVANIA

JOHN S. FINE  
Governor

ANDREW J. SORDONI  
Secretary of Commerce

## The World's Choosiest Customers

(Continued from page 31)

short handle. Traditionally the disks were made in Britain. In the post-World War II scramble for consumer goods, UAC found that Belgium could make the same article at some sixpence less than Britain. This tribe refused Belgian hoe blades with the firmness of a girl rejecting cotton stockings. Tribesmen went stubbornly hoeless until UAC could order and send out the prewar British make with the old familiar mark—and a higher price tag.

Even altering the package can be risky. Ivory Coasters will buy only black sewing machines. Efforts to pretty them up with other colors arouse suspicions.

THE container of some staple may have economic value of its own. French Guinea salvages round British 50-cigarette tins, certain shapes of Scotch bottles, and ready-made bandage boxes to be covered with red-and-black tooled leather for the souvenir trade—you open an elegant leather cigarette case and see inside the lid: "Remove gauze before applying bandage."

The processor must also be prepared for West Africa's original ideas of what his product is good for. Freetown, capital of Sierra Leone, buys a certain crude perfume—not for dabbing behind the ears but for dropping on sugar cubes to make a weird confection. A Nigerian tribe uses carbolic soap as bait for a popular local fish that seems to like a flavor of hospital corridor. A famous hot liniment sells well in the Sierra Leone up-country—not for rubbing on sore muscles but as a beverage, which is somewhat diluted with water.

Some years ago Nigeria saw a marked upswing in sales of umbrellas. They are a good local item anyway, particularly the gaudy British golf umbrella, but this was a special spurt without any apparent increase in number of the things carried in public.

The answer was presently clear: Local moonshining had recently moved the authorities to restrict importation and sale of copper tubing. The ingenious Nigerian had discovered that a metal umbrella shaft, minus handle and ferrule, made a good substitute worm for a still.

Such things make West African



market research an exacting race. UAC recently flew to Britain —“And heaven help the pilot!” said my informant—specimens of a popular Sierra Leone smoked fish called “bonga,” in hopes of reproducing its particular redolence in North Sea herring for export to West Africa. Diligent and reeking research, they think, has exactly imitated the original. But they won’t be sure until returns are in from ultimate consumers among the Sherbro people who have always lived on bonga like mother used to smoke.

They are also seeking to reproduce the exact faded-denim blue that West Africa’s native dyes get on white damask for making long Moslem gowns. The trick is not only in the exact shade—the dye must also rub off on the wearer’s skin because he thinks that that makes the garment cooler.

Especially in textiles, backbone of this trade, you cannot talk of a “West African market.” Which West African, where and with how much to spend? A Sierra Leone tribe which specializes in tapping palm trees for sap wears black stubbornly and consistently. They are mingled with the Mende, who are strong for red and green. The Mandingo—long, lean, night-shirted Moslems from upcountry—like blue in their cottons and prefer pictures of objects of interest. A poker hand, a pan of fried eggs, a pair of specs—those are the decorative motifs dreamed up in

“Our progress as a nation has not sprung from a philosophy of mediocrity. Our scientific and industrial advance has not been brought about by men striving to be common, but rather by men striving to distinguish themselves.”

—Leland I. Doan

Britain and Basel for the Mandingo.

Nigerians like designs of musical instruments. Some Gold Coasters go for piano key designs—because a Gold Coast leader once said that the country’s best interests required a government that would play the black and the white keys at the same time.

Since learning to read is a current Gold Coast fashion, other patterns show the letters of the alphabet. The symbols used in another prove to be a cryptic sermon against the local custom of all the poor relations sponging on any

# WHAT

## should your letterhead do?

■ SHOULD IT  
BE INSTITUTIONAL  
AND IDENTIFY YOUR PLANT?



■ SHOULD IT  
ADVERTISE AND CARRY  
YOUR SLOGANS OR TRADEMARK?



■ SHOULD IT  
PROMOTE CONFIDENCE  
BY LISTING YOUR TOP EXECUTIVES?



What goes into your letterhead depends on YOUR business and YOUR markets. It should be designed to do a specific job for YOU. To assist you, Neenah will send you “The Psychology of Business Impression” which helps you find the right combination of the five basic elements every good letterhead needs. The portfolio also contains 24 basic letterheads that demonstrate in detail how letterheads can work for you. For your free copy, check the coupon below, sign your name and attach to your letterhead.



### COURTESY COUPON

- ☐ The Psychology of Business Impression, Letterhead Test Kit, and Opinion Cards.
- ☐ Neenah Guide to Better Indexing, a complete sample file of fine quality index, which also contains useful information about tab cuts and sizes, ruling, color control systems.

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# WESTERN UNION

kinsman who starts making a little money.

Sometimes a dismally unsuccessful line of prints will be sold off at a heavy loss—the low price attracts a few buyers—and overnight the failures are roaringly fashionable.

Men do most of the buying. Women wear what papa brings home. The Gold Coaster may buy a 12-yard length of what suits his fancy, keep six for a toga and pass the rest to his wife.

In their new getup, they look like a sister act.

Women take out their personal fancy in mixing patterns in a fashion as astounding as it is colorful.

The French Senegalese belle steps out in a flounced and yoked Mother Hubbard, like grandma's nightgown, of bright pink, blue or green Paisley patterns under a filmy overdress topped with a bold-patterned head-tie of contrasting hues, plus red or green slippers beneath. In the Ivory Coast or Gold Coast she is just as stunning in a long skirt of one smashing print, a tunic of another, a bustle-tied length of a third round the hips, and a flaunting head-tie of a fourth.

THE big importers are now trying to get away from West African retailing. UAC retailing, for instance, is pretty well confined to its "Kingsway" chain in big towns aimed at European and highly civilized African customers. Kingsway's window displays, a missionary told me, "do more to educate the African than all our schools put together." Men in tattered singlets stare by the hour through the glass at pressure cookers, strapless evening gowns and electric irons. Otherwise the trend is to wholesale on all conceivable levels but leave the final consumer sale to local experts.

Of them West Africa has plenty. Some are Lebanese, others Syrian, Cypriote and Indian. They import some on their own, but also buy heavily from UAC and its rivals. Their village trading stores are the wholesale-retail, catch-as-catch-can depots where palm kernels, peanuts and cocoa come for exchange, cash or credit, against matches, rejuvenation drops, rayon head-ties and brightly decorated enamel basins.

But the bulk of retailing—and many successive levels of wholesaling—is largely in the hands of indigenous Africans, male and female, who are buy-and-sell artists of genius.

At one extreme they occasionally

work off the traditional gold brick on gullible merchant marine officers. At the other they have integrity enough to rate credit from importing firms up to thousands of pounds.

They learned the business game centuries ago from Arab traders bringing down across the Sahara the Mediterranean - Near East relish for shrewd bargaining. Certain tribes, notably the Fouta and Mandingo, are conspicuous traders throughout West Africa. Through them UAC imports have an astounding range—their brands of matches or canned beef may turn up in Tripoli or the Anglo-Egyptian Sudan, thousands of miles from their port of entry.

Important to West African distribution is the "market-mammy"—the woman who peddles produce or store goods. You meet her walking miles to a village or town, carrying on her head a wide calabash of oranges or live fowl or fresh fish to sell piecemeal for cash. She won't listen to deals en route because to dispose of her stock near home would deprive her of the occasion for gossip, haggling and seeing what goes on in the world.

She may buy on credit from an importer's branch and squat all day in a market booth or at a street corner disposing of head-ties, lighter fluid, Norwegian sardines, snuff, paper clips, singlets or celluloid dolls.

In Freetown on Saturday it looks as if half the population, including children, is out selling something to the other half.

Profits are small but none is negligible where 70 pounds—say \$200 at official rates—a year is a good starting white-collar wage. Even when her husband has a job, the market-mammy still goes forth. Most of her customers could readily go around the corner to the





same shop where she bought her stock and pay the same prices she paid, but that would spoil the game. They usually prefer to have the fun of haggling with her and paying a shilling or so more.

Well as they keep goods flowing, West African business techniques take learning. Few mammy-traders keep books, mostly because few can write. Their willingness to handle small lots makes it impossible for importers to be sure just where wholesaling stops and retailing begins. Toward the end of the long chain of sub-subjobbing, safety matches may sell in lots of ten—matches, not boxes—with a proportionate bit of striking surface thrown in. Sugar is imported strictly in cubes to facilitate sub-subdivision of cartons.

These matters vary by area. A Sierra Leonean expert in bid-high-bid-low bargaining is in trouble in Nigeria until he learns to dicker in reverse. Like this:

Seller asks two shillings for a grimy felt hat. Buyer sneeringly offers one shilling 11 pence. Seller says no, no, no, but finally admits he'll take it. Buyer says come to think of it, it's only worth one and tenpence. Seller screams in agony but finally meets him. Hmm, says buyer, I think you'll take one and ninepence. . . . And so on until seller snatches the hat away from him and starts off with it, whereupon title changes at one and tenpence.

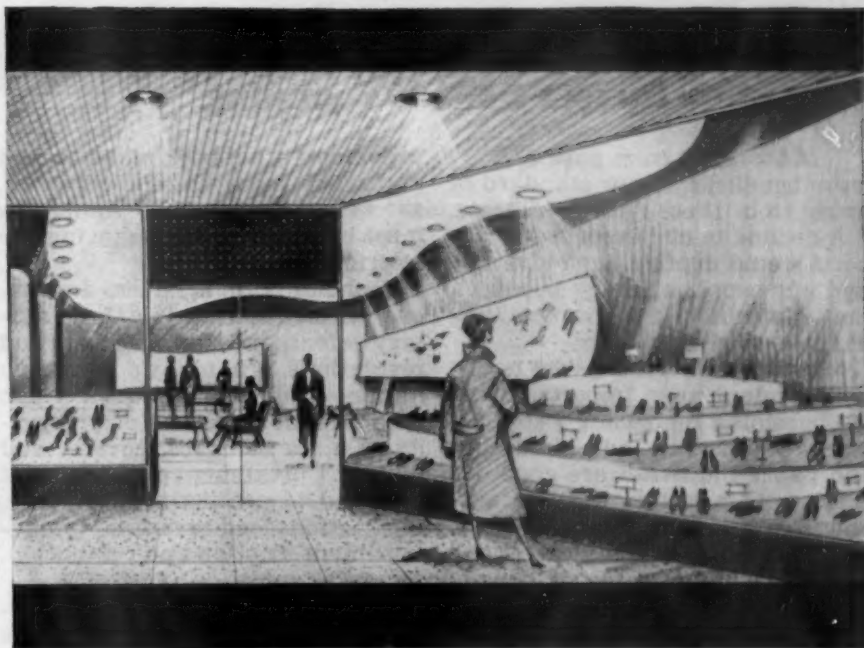
Etiquette has been observed and both parties have had a good time.

IN farther reaches, West African traders' and customers' mental processes, though doubtless making internal sense for them, are beyond outsiders' comprehension. The Sierra Leone back country recently saw an instance of people dickering with a trader for postage stamps and paying a premium rather than go to the post office and pay fixed prices.

Even when detectable, the why can be peculiar. Some Gold Coast-ers prefer Danish beer because it's bitter and in their minds bitterness means quinine, which they know is good against malaria. Canned corn beef became unsalable over the Sierra Leone border in Liberia when word spread that it was really canned white man meat.

In Nigeria a while back, missions selling good Bibles below cost were gratified to find sales jumping. It proved to mean not growing devoutness but a new local industry in hand-rolled cigarettes—for which thin Bible paper was better than anything else locally available.

END



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- ☐ Drug Store
- ☐ Grocery Store (self-service)
- ☐ Women's Ready-to-wear Shop
- ☐ Restaurant

## Russia Calls It Dumping

(Continued from page 37)

more beneficial to our standard of living than those figures indicate.

A decline in our exports and imports would deprive our industries and our people of many products, raw materials and markets impossible to replace.

Many of our industries are largely dependent upon imports. Some are becoming increasingly so. The steel, automobile, oil, aluminum and paper industries are good examples. Our cotton, tobacco, sulphur, agricultural implements, fruits and lard are but a few of our products which are highly dependent upon export markets.

Trade can contribute most to peace and growing living standards in both the United States and the rest of the world—if it has as its foundation the principle of balanced expansion. With our wealth of natural resources, industrial plant, labor force and capital we must encourage extensive exports, much larger imports, and sound foreign investments.

To establish a durable peace and to increase the standards of living throughout the world must surely mean the reduction of artificial barriers to trade—unless we are willing to continue indefinitely draining our taxpayers' pockets. In building these barriers we ourselves have sinned much through the years, and with a righteous disregard of the economic and political facts of life.

**T**HE announced official policies of the United States, whether economic or political, international or domestic, have four aims: the establishment and maintenance of world peace; elimination of international trade barriers; a high and expanding level of income and employment, both at home and abroad; and the preservation of individual freedom and our private competitive enterprise system.

If the division of the world into two economic and ideological blocs is unavoidable, it is even more urgently important that we do everything possible to conduct our trade with the free countries along unrestricted lines. Any other course only forces our allies and friends to seek more trade with Russia.

No other country in the free world is in a position to take the initiative in this work.

The trouble is that we proceed to sin against the very principles we

urge upon others. Confidence and mutual fairness among countries, as well as economic soundness must be the basis for removing the restrictions on trade.

Economic ruin is no less dangerous, ghastly and terrible than military defeat, and it breeds wars and revolutions. In today's world no nation—not even America—can long remain an island of prosperity in a sea of chaos, poverty and hunger. Curtailment of trade is not the road to prosperity and peace. Restrictions lead to mutual impoverishment, friction and retaliation.

**W**HILE it is our official international intention to remove these restrictions, and we are urging other countries to do so, we fail to practice what we preach by a very wide margin. We do this with what appears to be almost innocent naïvete. Other countries interpret such failures as hypocrisy, bad faith, arbitrariness, dollar imperialism. Our more generous friends attribute them to economic and political immaturity.

As examples of these harmful and dangerous inconsistencies, here are but a few.

Ask our Canadian neighbors about "the great aluminum farce" of 1951. We needed aluminum badly for rearmament. Canada offered us 220,000 tons at the market price, if her offer was accepted by Oct. 12. We asked for an extension of our option to Oct. 31. While we argued about increasing U. S. production and fumbled over the usual prejudices on buying abroad, the offer expired. The next day Britain bought the aluminum. We had to cut back allocations of aluminum in this country.

The Buy American Act of 1933 is another example. It provides that the Government must purchase all articles, materials and supplies for public use within the United States from domestic sources unless they can be bought at least 25 per cent cheaper from foreign sources. The present effects are to limit imports, to discriminate against some friendly countries, and to increase the costs of purchases for rearmament—to the disadvantage of the taxpayers.

Our customs procedures are the bane of importers and a puzzle to overseas businessmen. They often are extremely unfair. A customs simplification bill has been pending in Congress for more than two years.

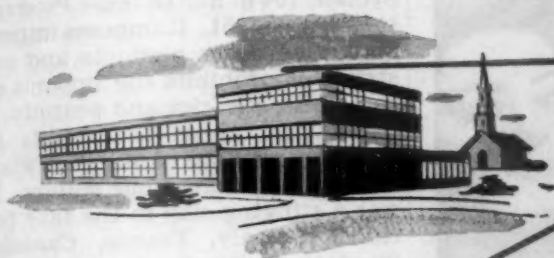
In a report of the Public Advisory Board for Mutual Security recently





# To keep pace with modern standards of living . . .

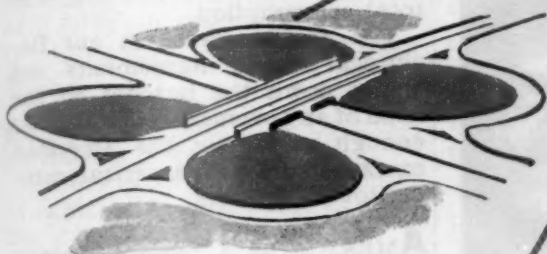
*There is tremendous need  
for all kinds of construction*



**institutions, buildings**

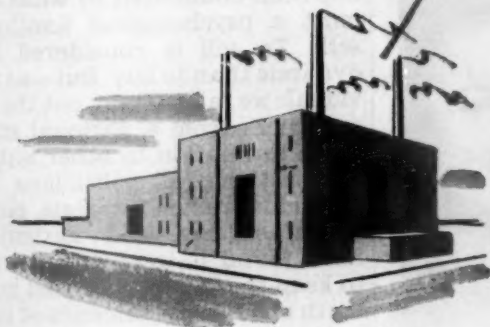
**highways**

**basic community facilities**



*The Construction Industry  
has the immediate capacity*

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projects wherever needed**



*Maximum economy, efficiency  
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for everybody in America lives better because we have railroads which, every day in the year, haul for you—and for every other man, woman and child in the country—an average of more than 10 tons of freight a mile.

That's more freight than is moved by all other forms of transportation put together—and it is moved at a lower average cost than by any other form of general transportation.

Last year, for the sixth time in a row, railroad freight trains set a new efficiency record—hauling more goods, on the average, and hauling them faster, than ever before.

And these trains are important to you because they help keep down the cost of the things you eat, wear and use—and help make your highways safer and longer lasting.

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submitted to President Eisenhower, this gem appears: "Many goods take longer to pass through customs than it took Columbus to discover America. On Dec. 30, 1952, the collectors' offices reported 723,000 unliquidated entries on hand. Cases requiring two to four years for decision are common."

An example of congressional inconsistency is the infamous and inexcusable cheese rider known as Section 104 of our Defense Production Act of 1951. It imposes import quotas on dairy products and restricts or prohibits the imports of some fats, oils, rice and peanuts.

This law undid the results of spending millions of Marshall Plan and E.C.A. dollars—our dollars. It was a stinging slap in the face for Holland, Italy, France, Canada, Sweden, Switzerland and a few other countries.

Yet, all imports of cheese in 1950 were a paltry four per cent of U. S. total consumption.

The escape clause in our Reciprocal Trade Agreements Act brings down the hatchet on the head of any overseas seller who has enough success in the American market to draw an American competitor's attention.

**AMERICA** as a rapidly growing nation with bountiful resources and an aggressive, restless people, has been dominated by what is almost a psychological fixation to sell. To sell is considered more dynamic than to buy. But—as individuals we fail to think out the consequences from a national standpoint in relation to other nations.

Traditionally, politicians and individual vested interests, both in manufacturing and agriculture, have found it to their advantage to keep the public confused on the truth about the economics of international trade and affairs. Often this is as much due to their own confusion and misunderstanding as to any desire to mislead others. They think in terms of their own business or their own community alone without recognizing its relation to the whole economy and public welfare, or even their own long-term best interests.

We have been so interested in developing our own country that we have had little motivation to concern ourselves with the affairs and problems of other nations. We have tried to sell all we could in the false belief that we were disposing of surpluses. The real purpose of exports of course is to pay for imports.

For two centuries we have been steeped in the misleading and false



concept of a favorable balance of trade. There never has been and never will be such a balance—except when exports are balanced by imports.

We have assumed that large exports are the cause of prosperity at home.

Actually, both large exports and large imports are more a result of a prosperous domestic economy. This is true in all countries. Giving our exports away does not and will not bring prosperity.

Few people have yet realized that the change from a debtor nation to the world's largest creditor nation, at the time of World War I, makes it absolutely necessary that we increase our imports—unless we are willing to continue indefinitely giving away our goods, our foreign investments, and the income from those investments, with our taxpayers bearing the costs.

**WE** have the following choices to help solve our international trade problems—and those of the free world:

Continue to give away our taxpayers' money, and thus American purchasing power.

Let our exports drop to the level of imports. This would help solve the dollar gap problem. But it would reduce living standards.

Invest in other countries an amount equal to our excess of exports over imports.

Expand American travel abroad, an easy and painless way to make up a part of our import deficit.

Expand imports of both goods and services. This is, and will remain, the major means of closing the dollar gap—getting paid for our exports.

Increase offshore buying of goods made in Canada and friendly European countries to be used outside the U. S.

Fortunately the opinions and attitudes of America's top business, labor and farm leaders have shown a strong and healthy trend of late. Many are going on record as favoring increased imports, simplified customs procedures, elimination of import quotas, lowering or eliminating tariffs, repealing the Buy American legislation—not primarily to help other nations but as a realistic approach to our own immediate and long-term self interest.

Let us have more world trade and less world dole, in the interest of both economics and peace. At home, more trade and less aid means more jobs and less taxes. We need not give away our cake—then pay for it, too.

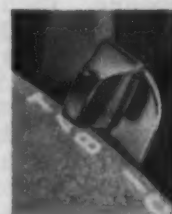
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## Bargain for Uncle Sam

(Continued from page 39)

The boom is amphibious, the first of its kind in our history. Nothing better illustrates its character than its most valuable product—petroleum.

Fly eastward from New Orleans to Chandeleur, thence southward around and over the last yellow drifts of the multimouthed Mississippi, then northwestward and westward to Texas. The plane throws its shadow over Ostrica where ships load crude oil for all America and much of the world; over Venice, the last point of solid ground beside the Mississippi but still miles from its mouth; over East Bay, West Bay, Barataria, Timbalier, Terrebonne, Caillou, Atchafalaya, Vermilion and Calcasieu—nowhere will the plane be more than a minute or so from the sight of an oil rig, or a producing well with its intricate cap of valves oil men call their Christmas Tree.

You see launches carrying production executives from their offices to drill rigs; paraffin boats scooting from well to well to keep the valves clean; large aluminum-painted gathering installations, and long supply sheds, with the names of the companies painted on corrugated roofs.

Some of the drill rigs, with their 60- or 90-foot steel derricks, are water-borne on barges, others more solidly set up on pilings. From some rigs lazy puffs of white steam tell you that men and machinery are twisting more than a mile of hollow three-inch pipe through water, mud and rock toward, they hope, oil. Or the rigs may be without life at all, signifying that here men have spent thousands of dollars for a worthless hole and haven't yet come back to take away the evidence of their costly, futile effort.

It is only 40 years since the first overwater oil well was brought in—in the middle of a northern Louisiana lake. Last year, using techniques they began to learn then, men took upward of \$450,000,000 worth of petroleum and natural gas from beneath the water of coastal Louisiana.

The problems posed by overwater drilling are numerous and complex; they have been conquered only by ingenuity and tenacity. Now, taking a lesson from the oil men's experience, and adding a few new wrinkles of their own, Louisi-

ana's sulphur producers have also become water-borne.

Louisiana sulphur is mined by the Frasch process, which means pumping hot water and air down a pipe-cased hole where the water melts the brimstone and the air forces it up. As it flows out on the bare earth, it hardens to granitic consistency, forming hills which grow larger and higher as more is produced. For shipment, it has to be dynamited into powdery chunks.

After the war in Korea began, a critical sulphur shortage threatened U. S. industry. To help meet this situation, the Freeport Sulphur Company devised a water-borne rig and moved it into Bay Ste. Elaine where previous exploration had indicated a deposit. Putting a pumping installation on a barge, and sinking the necessary



pipe through water was relatively easy. The stumper was how to handle the hot, liquefied sulphur once it was forced out, since there was no dry land handy to pour it on.

The engineers got around that ore by designing barges like thermos jugs, consisting of a hull, an adequate layer of insulation, and an inner container. Pumped into these, the sulphur stays hot and liquid until it can be towed miles away and pumped out again for hardening and transshipment. With the aid of this trick, coastal

Louisiana produced nearly half of all U. S. sulphur in last year—1,508,550 long tons worth \$33,188,000.

Though relatively small in dollar value, seldom exceeding \$6,000,000 to \$7,000,000 a year, the third most important underground resource is salt. Here, one mine alone, among a number now in production, has been estimated to contain enough salt to supply the world's needs from the time of Christ to the end of the next millennium.

**WHEN** the local abundance of fuel, sulphur and salt is added to the availability of low-cost transport, the region's industrial potential becomes unlimited.

Nevertheless, rich as it is in minerals indispensable to industry, the coastal soil is even richer, possibly the richest anywhere on earth. For thousands of years winds and floods have been carrying the topsoil of one third of the nation down its greatest valley and piling it up there. In places, the earth is so rich that it has never needed fertilizer.

These marginal acres produce most of the nation's rice (1952 crop value: \$73,324,000) and its commercially marketed sweet potatoes, which accounted for another \$22,572,000 of agricultural income last year. Ten years ago, the value of the whole state's cattle crop was less than \$30,000,000. Today it is close to \$130,000,000.

This spectacular growth has taken place largely on the edges of the marshes, and results from the introduction of Brahman crossbred cattle which are hardy in the hot, moist climate, resistant to the most damaging diseases and can thrive on natural, wild grasses which otherwise are a pestilence.

The fourth major crop is sugar squeezed from cane. Sugar is produced under a quota system which keeps United States growers from competition with the sugar economies of Puerto Rico, Cuba and some other areas. But here a revolution is brewing which may, in time, have a profound effect on the economy of faraway Canada—in the paper industry.

The potentially revolutionary substance is something called bagasse. It takes three pounds of cane to make one pound of sugar, and bagasse is the name given to the pulpy, fibrous waste that is left after the sweet juices are wrung out.

In 1952, coastal Louisiana produced 451,000 tons of sugar, and 840,000 tons of bagasse. Some years ago, it was discovered that bagasse



could be pressed into boards suitable for construction sheathing—and Celotex was born.

Then it was found that it could also be converted into plastics. Today all the output of Decca records, plus some 60 per cent of the records made by RCA and Columbia, are made of this cane waste. Still, even after meeting these demands, there were 640,000 tons of bagasse left over.

Now it has been found that bagasse can be made into a paper suitable for books and newsprint. Already, one paper mill is going up at Lockport, La., and another larger one is on the drawing boards. Experts have figured that the quantity of bagasse produced by the sugar industry just about equals the paper-making potential of the spruce produced by Canada.

Since sugar pays the initial gathering cost, bagasse can be laid down at the paper mill at \$22 less per ton than spruce costs. Ergo, say the experts, the day when bagasse will replace spruce on the nation's printing presses is in sight.

**BE** that as it may, it is a sample of what is now going on in coastal Louisiana.

Another sample is Spanish moss, that grayish tangle you see hanging from live oak trees in all the movies of the bayou country. For years Louisiana gained tidy sums—sometimes as much as \$6,000,000—by running moss through a gin and extracting fine, hair-like threads the furniture industry used in upholstery. But, as with sugar, the waste was far greater in volume than the useful product.

Then an imaginative moss man named L. M. Joffrion, Sr., of Napoleonville, in Assumption Parish, sent some of this waste to a chemist. Back came the encouraging word that it was rich in nitrate, phosphorus, potassium, calcium and magnesium. It would make a well nigh perfect mulch since it combined the friable character of peat moss with the nutritive elements of fertilizer.

Mr. Joffrion's erstwhile waste is now being shipped out of Napoleonville in car lots to flower growers and nurserymen everywhere. Because of its chemical richness some of it is also going to pharmaceutical houses for use in drug manufacture.

Flower growers in the moss country, however, have no need of artificial stimulants to horticulture. This area supplies many of the nation's azaleas, camellias, and Easter lily bulbs which give a return to their growers sometimes as

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much as \$5,000 an acre. Here, in fact, some beautiful flowers are a costly menace.

Back in 1894 the Japanese had an exhibit at the Louisiana Exposition, and they gave away, as souvenirs, thousands of Venezuelan hyacinth bulbs. Some of the people who received these bulbs may have planted them, but most would seem to have tossed theirs away. In any case, growing in the marshes, bayous and streams they have now become so serious a navigational obstruction that the State of Louisiana sets aside \$75,000 every year to get rid of them.

Making a blanket of purple flowers on the water, the hyacinths produce breath-taking beauty. But let a launch, a fishing trawler, or even a tug try to plow through a mass of them, and the stems will so foul up the propeller as to immobilize the craft.

Being "hyacinth bound" might sound like seventh heaven to a flower lover. To many a skipper it is more nearly a short cut to the hereafter via apoplexy. The state has boats which, resembling mine sweepers, pull up the plants in the more important waterways. It has also been fighting them with chemical weed killers. Still, after years of these efforts, the hyacinths seem to remain as abundant as ever.

The marshes, bayous and coastal bays are good for things other than hyacinths. In these waters the yearly take of fresh and salt water fish, terrapin, turtles, crabs, crawfish, oysters, shrimp and other seafood exceeds \$100,000,000 (the 1952 figure: \$110,000,000). From here, too, come nearly all the frog's legs eaten in the swankiest U. S. restaurants. Rayne, La., the frog capital, from which as many as 10,000 frogs a week are shipped in season, celebrates its croakers with an annual frog jumping contest (record jump: 13 feet, nine inches).

Among the big crops there are some little ones which, for no particular reason, have grown into local monopolies. For example, perique, a heavy, somewhat acrid, tobacco used in pipe blends, is grown nowhere else in the world, and the world's supply of Tabasco sauce is the exclusive property of the McIlhenny family, owners of a 2,500-acre hump called Avery Island, in the middle of the marshes south of New Iberia. The perique brings its producers about \$100,000 a year; the Tabasco has a retail value of about \$1,500,000.

In New Orleans they tell a story about an orange grower (1952 crop value: \$1,500,000) who planted

some lemon trees for an experiment. When his lemons began growing as big as footballs he came in for so much kidding from his friends that he abandoned the project. The lemons, he insists, were just as good and juicy as any other, only the soil was too rich for them.

But his experiment has another point: No one yet knows everything that coastal Louisiana can produce, because not everything has been tried. The nutria is a case in point.

Over the years, these marshlands have remained the most prolific fur-producing section of the nation. The annual catch of muskrat, mink, raccoon, opossum, otter, skunk, fox and cat comes to as much as \$15,000,000 at local auctions in the best years.

Through two centuries the mainstay of the fur business was

*"Industrial strength is national strength—and in national strength lies the only real assurance of an enduring peace."*

—Crawford H. Greenewalt

muskrat, with as many as 8,000,000 skins taken in some years. In all that time, no one ever thought of it as good country for nutria.

Then, some years ago, a South American nutria rancher sent the late E. A. McIlhenny of Avery Island six pairs of the little animals which are halfway between a beaver and a muskrat in size, and grow a beaverlike coat. In 1940 a storm blew up, damaged the cages, and six of McIlhenny's nutria escaped.

Three years later, in the 1943-44 season, for the first time in Louisiana history, a quantity of nutria skins turned up in the local auctions—altogether 436 of them. The next year there were 904, and the year following that, 8,784. The number has rocketed year by year—18,000, 28,000, 38,000—until in the 1951 auctions the astounding total of 78,422 were sold.

"Those little animals," says Mel Washburn of the Louisiana Wild Life and Fisheries Department, "are apt to become the dangdest crop this part of the world has ever seen."

"Or," he adds with a touch of awe, "if the fur trade can't absorb them they'll be the dangdest nuisance any part of the world has ever seen."

In coastal Louisiana, it's like that all over. **END**





## ROVER'S IN CLOVER

A HIGHER standard of living is here for the nation's 20,000,000 pooches—thanks to Orren South and his inventor son, Robert. Their business, building prefabricated dog houses which provide Rover with weatherproof shelter, began as a workshop project. But growth has been so great in just one year that operation in a Cincinnati plant will keep 20 men busy full time.

The idea, inspired by prefabricated homes for humans, set Robert South to work trying to construct quarters that could be assembled without tools or nails. After six months' experimentation he came up with the perfected product: seven plywood pieces, precision cut and channeled so that they slide together.

He took the invention to his father who recently had retired and was looking for something to do. The elder Mr. South, convinced that the idea was sound, tried selling the houses by mail order. Soon mass production methods had to be developed to keep up with orders.

The new factory will turn out up to 2,000 dog houses every week in sizes small enough for Chihuahuas or spacious enough for great Danes.

Not every house built thus far has ended up on a pet owner's lawn. Some have taken to the air, serving as canine quarters on cross-country flights. And S.P.C.A. workers in several cities use the houses to demonstrate proper care of pets to school children.

The inventor? He's working on a new idea in his spare time. But his father, who operates the business, admits that he has "retired" into the busiest, most interesting time of his life.

—VIRGINIA WEBB SCHNEIDER



## What can your wife tell you about flooring?

She can tell you how important it is to choose a floor that will wear...keep its beauty...and still be easy and economical to maintain.

She can probably tell you that floors that look alike are far different in their ability to resist traffic, dirt, stain, greases and oils.

But, it takes more than your wife's advice to select the right flooring for your business. You need the expert training and experience of the Kentile, Inc. Flooring Contractor... whether your problem is your own office... your staff's cafeteria... or manufacturing areas. You, your architect or builder, will find it pays to consult the Kentile, Inc. Flooring Contractor. Find his name under FLOORS in the Classified Phone Directory... or write: Contract Dept., Kentile, Inc., Brooklyn 15, N. Y.

**You can save time, work and money by getting the right answers to these questions:**

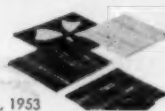
What are the big differences between the various types of resilient floors?

How can the right flooring increase production... reduce accidents in the factory areas?

Which floors resist greases and oils most effectively... for the longest time?

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## Moscow's Mystery Man

(Continued from page 35)

or no sleep. He likes whisky and food, has a penchant for French pastry and expensive cigarettes. He seldom relaxes, but when he does he plays like he works—hard. On rare occasions, he's been out in the fresh air duck hunting.

As to the private life of Georgi, it appears he's been married twice, the second time to a beautiful actress, and is father of two children.

The early life of Malenkov is veiled in obscurity. All that the Soviet biographical sources tell us is that Georgi was born Jan. 8, 1902, in Orenburg (now Chkalov), a dreary town on the Ural River. Of his parents, all that we know for certain is that his father was named Maximilian, who is believed by some observers to have been a Cossack subaltern, others identifying him as a Tatar merchant. His failure to boast of peasant or worker origin has led to the generally accepted theory that he stems from the Communist-despised middle-class. Malenkov has given support to this belief by scorching attacks on Communists who maintain that proletarian background should be a requisite for any party officeholder.

Although Malenkov is being built up in the Stalin pattern since his elevation to the primacy of the party and hailed as a "disciple of Lenin," even the Soviet histories have nothing to say of Malenkov's role, if any, in the Revolution. The official Communist publications reveal that he joined the Red Army at the age of 17 in 1919 after the Bolsheviks had seized power, and

the revolution was already nearly over.

Georgi joined the Communist Party in 1920 and was attached as a "political worker" to a cavalry squadron engaged in mopping up armed dissidents in the Turkistan area. As a "political worker," he participated in his first purge—in the mass trials and executions of civilians suspected of opposing the new Red regime. He must have done his tasks well, for he moved steadily up the line to become one of the "political" commissars on the Turkistan-Eastern front.

Then, in 1922, Malenkov wangled an appointment to the Moscow Higher Technical School, at the same time continuing his political education as secretary of the party cells at the institution. Although party records fail to show him to be an early Stalin supporter, he was nonetheless found to be on the winning side when, on the death of Lenin on Jan. 21, 1924, Stalin seized the reins of party and government, and promptly began to eliminate Trotsky and his followers of the left opposition. Georgi jumped into this purge—his second—and helped clean out his school of student and faculty Trotskyites.

The fratricide-torn Communist Party, needing new blood, reached into the student ranks in 1925 for potential leaders. Among those chosen was Malenkov, who for five years then served as a "responsible worker" in the Central Committee apparatus, at least part of the time on Stalin's personal secretariat.

At the beginning of the '30's, Stalin felt strong enough to start





rooting out his opposition from the right. Loyal Stalinists were moved into strategic positions, and in this shuffle Malenkov was promoted to chief of the organizing department of the Moscow Party Committee. Again he performed so faithfully and so well that by 1934, he was named assistant chief of the Department of Leading Party Organs, set up to compile a dossier on party leaders in every echelon preparatory for the great purge of 1936-38.

As the man actually running the project, Malenkov acquired the reputation of possessing a photographic memory and a card-index brain. Throughout his career he never let loose of this hold he had over party personnel, but—as Stalin before him—continuously strengthened his grip over the dismissal, transfer, and placement of functionaries until his control over the apparatus brought him to ultimate power.

Malenkov's phenomenal file and memory gave him tremendous power over life and death during the 1936-38 purge, when Zinoviev, Kamenev, and the others of the right opposition were exterminated.

**THE** dreaded Yehzov, commissioned by Stalin to conduct the merciless liquidation, and Vishinsky, who prosecuted the "self-confessed traitors" in the headline-aimed trials, received most of the publicity from the purge. But it now appears that Malenkov was the finger man for thousands of victims.

In 1938, Stalin ordered Yehzov purged. Malenkov, Yehzov's right arm, however, came out stronger than ever—not only in firming up his standing with "The Boss," but in picking personally loyal men to fill the vacancies created by the purge. For services rendered, Malenkov was "elected" in 1939 to the Central Committee of the Communist Party, and a number of party posts were given him, all of which tightened his grip over Communist cadres not only in the party but in the government, secret police and military as well.

Two years later, Malenkov was chosen by Stalin—now in sole control of party and country—to deliver the sensational tongue-lashing of the fat-cats in high places before the nineteenth congress of the Soviet Communist Party.

It was at this assembly, too, that the party determined on Malenkov's suggestion to improve on their industrial plant espionage and supervision system by adding trained industrial secretaries to



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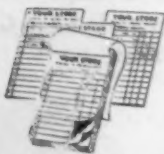
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the regional party organizations. This heretofore had been done by others who had much ardor but little technical ability.

A few days after the session Stalin rewarded Malenkov by promoting him to be a Politburo alternate.

Shortly after Malenkov's emergence from behind the scenes, the Nazis invaded Soviet Russia in the summer of 1941. Malenkov was named by Stalin to a five-man State Defense Committee that was in charge of wartime production. The youngest of the five—Stalin, Molotov, Voroshilov, and Beria were the others—Malenkov had the responsibility for souping up plane and tank production.

**HIS** new assignment gave him the opportunity to demonstrate to Stalin that he could drive workers and machines as ruthlessly as party officials, and as relentlessly get results. The work week was stretched to 60, then 70 hours as Malenkov turned the heat on to increase output in the face of the invading Nazis. Before the war was over, Malenkov was turning out tanks at the rate of 30,000 a year, and warplanes at 40,000 a year. One of his more spectacular feats was the evacuation of 1,300 factories, piece by piece, from threatened Moscow into the Soviet's interior.

Yet so effectively did Malenkov stay out of the limelight, that when Eric Johnston, then president of the Chamber of Commerce of the United States, made an intensive eight-week tour of Russia's industrial plants in 1944, he never was given any inkling that the "fat and pudgy official with the round Mongolian face" sitting near him at a state banquet was the Soviet's wartime tank and plane production boss.

"I knew Malenkov was somebody important," recalls Mr. Johnston, "because he sat next to Molotov, who was sitting beside me, at the four and a half hour banquet held at the Spiridonovka in Moscow.

"I remember Malenkov's clammy handshake, like a North Sea cod. We had a few words with each other through an interpreter. I got the feeling he was a morose individual who didn't like the West. I understood Malenkov to be Stalin's secretary. Frankly, he didn't make much of an impression on me."

W. Averell Harriman, who saw much of Moscow as special emissary and ambassador between 1941 and 1946, reports a similar reaction to Malenkov. Tito, who met

Malenkov during a 1944 tête-à-tête with Stalin, was also unimpressed.

When the tide began to turn, Stalin made the tireless Malenkov head of a committee to undertake economic reconstruction of liberated areas. Within five years, Malenkov could announce that the recaptured Russian regions were producing goods equal to their pre-war, preinvasion output.

All during the war, Malenkov managed to keep a finger on the party machinery. The war decimated the party's ranks, but Malenkov was never too busy to fill the gaps in the key places with functionaries loyal to Stalin—and to him, too.

So pervasive was Malenkov's power through his control of the party apparatus, that even the atom-bomb espionage activities of the Soviet embassies and consulates came under his over-all supervision. Igor Gouzenko, the code clerk who fled the Russian embassy in Canada in 1946, disclosed to the Royal Commission that five separate espionage sections operated out of the chancellery.

The head of the political section kept watch on the other four, and reported back to the Central Committee apparatus.

Stalin heaped all sorts of medals on his protégé, once the war was over, and in March, 1946, gave Malenkov the supreme accolade—membership in the Politburo. (Beria, who succeeded Yehzov as head of the secret police, and who through the years had appeared to be the closest friend of Malenkov, reached the heights of the Politburo simultaneously.)

**ABOUT** this time, the long-smoldering animosity between Zhdanov, the keen-witted, polished intellectual and popular wartime figure, and Malenkov, the lack-luster, culture-disdaining plodder, broke into the open. There was a natural clash of personalities. There was also—it now appears—a difference in point of view. Zhdanov led the Politburo faction which persuaded Stalin to turn toward Europe in spreading the Communist sway.

Malenkov, who once stated—quoting Lenin—that Russia aligned with China and India would surely conquer the world, was an Asia-Firster.

When, in 1946, Zhdanov felt that his rival was drawing too close for comfort, he took after a number of Malenkov's appointees and forced them to confess to Marxian impur-



ities of thought and action. It's not clear just how he did it, but somehow Zhdanov caused Malenkov to be shunted into the Ministry of Agriculture.

But even there, he would not stay put. He turned his limitless energies into increasing crop output. He did so well on this score that Stalin permitted Malenkov's name to be signed along with his own on the 1948 decree abolishing food rationing.

Stalin entrusted Zhdanov and Malenkov, in 1947, with the mission of setting up the Cominform so as to strengthen the Politburo's hold over the satellites and to initiate a counterattack against the Marshall Plan. Zhdanov was top dog on this assignment, Malenkov the helper. Within a year, though, after having outmaneuvered Zhdanov and on his foe's death, Malenkov was more firmly established than ever.

He lost no time kicking out Zhdanov's adherents and protégés, and replacing them with his own henchmen. This purge was widened into a weeding out of intellectuals and "cosmopolitans," designations which blanketed most of the Jewish party officials who had survived the Trotsky and Zinoviev loyalty tests.

**MALENKOV'S** influence is to be seen, too, in the Soviet's turn to the East, climaxed by the war in Korea.

Since his accession to dictator, Malenkov has been talking up peace and preaching the possibility of a peaceful "coexistence" by Communism and capitalism. Yet this is the same man who, in 1947, called for a war against the "imperialist camp" of the capitalist nations; who in 1949 asserted that the American "imperialists" were more aggressive and ambitious than the Nazi and Japanese war lords combined; who in 1952 denounced the United States as the "new center of aggression" which had "decided to wreck the peace."

Is Malenkov's talk for peace a stall for time while he seeks to solidify his position at home and mend his fences in China and in the satellite nations? Or is it a come-on for a new Communist scheme aimed at weakening the unity of the Allies and slowing down the building of the West's defense?

We don't know.

We know as little about Malenkov's intention and his future as we know about his origins and past.

Malenkov is a man nobody can really know—or trust.

END

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HOW'S BUSINESS? —  
a look ahead

Want to know what to expect in taxes — in distribution — from labor? If you haven't read this new, timely feature for businessmen turn to page 40. You'll find it informative and useful.

## Two Steps to Stop Labor Monopoly

(Continued from page 33)

hesitate to invoke when they need it to protect their own rights and interests.

With the rise of unions in the past 15 years, compulsory membership, in one form or another, has become increasingly general.

In spite of the extraordinary benefits and privileges conferred on unions by our federal labor law — the Wagner, Taft-Hartley and Railway Labor acts — organized labor has successfully sought to extend the area of compulsory membership and intensify the authority it wields over its members. In this, labor has had the assistance of Congress, the former administration and various of its agencies.

Even today union spokesmen are arguing against Taft-Hartley provisions which impose only the mildest of limitations on a union's right to expel employees from membership and, consequently, to cause them to lose their jobs.

The way unions feel about compulsory membership and dues collection is no secret. They have forcibly argued that labor organizations in contemporary society are a species of industrial government to which all employees owe compulsory allegiance. It ought to be plain what this conception of the place and functions of unions does to individual rights—in particular, to the right to work.

This elaborate structure of compulsion and control has, of course, as its purpose making a union so strong and far-flung that it can restrain and eliminate competition in wages and other labor standards. The achievement of this goal is not easy or quick. Employers, competitive habit and momentum, and nonunion enterprises stand in the way. But in time these obstacles are removed or weakened. Then, as we have already seen in this country, a monopolistic state of affairs is brought into existence.

When this happens, or indeed while the process is still under way, some employers begin to see eye-to-eye with the union and join with it to find the means of reducing the force and scope of non-union competition.

The road is thus cleared for the creation of joint industry-labor monopoly such as has long existed in England and toward which we are rapidly moving in the United States. Easy acquiescence by em-

ployers in union demands is a typical monopolistic action whereby the public gives way to a private interest. Carried far enough, this system of employer-union relations is bound to become progressively more costly.

It is not only the direct wage bill that fixes the cost of such labor-management arrangements. Labor unions are as much concerned with making work rules as with negotiating the rate of wages. With only the rarest of exceptions, work rules further the policy of less work for more money.

**STUDENTS** of labor history usually associate restrictions of this nature with the policies of the old, monopolistic craft unions, in the main affiliated with the AFL; but restrictive policies are widely followed by the new industrial unions as well. The difference is that the new unions have not yet had time to perfect their structure of restrictive practices, and that the effects of restrictions already made are hidden by the vast capital expenditures made by industry since the end of the war.

How to bring about conversion is a serious matter. It will certainly not be done by the amendments to the Taft-Hartley Act offered by the CIO, the AFL, and their supporters.

By now this country has had a wealth of experience with writing laws governing the rights and duties of employees, employers and unions and with living under them. The country knows, or ought to know, what has worked and what has failed to work. Great aggregations of power have grown up almost in defiance of the law.

It would seem now unwise to repeat this legislative procedure. Such new legislation as we require should go directly to the root of our difficulties in labor relations. These can be attacked by a few familiar expedients:

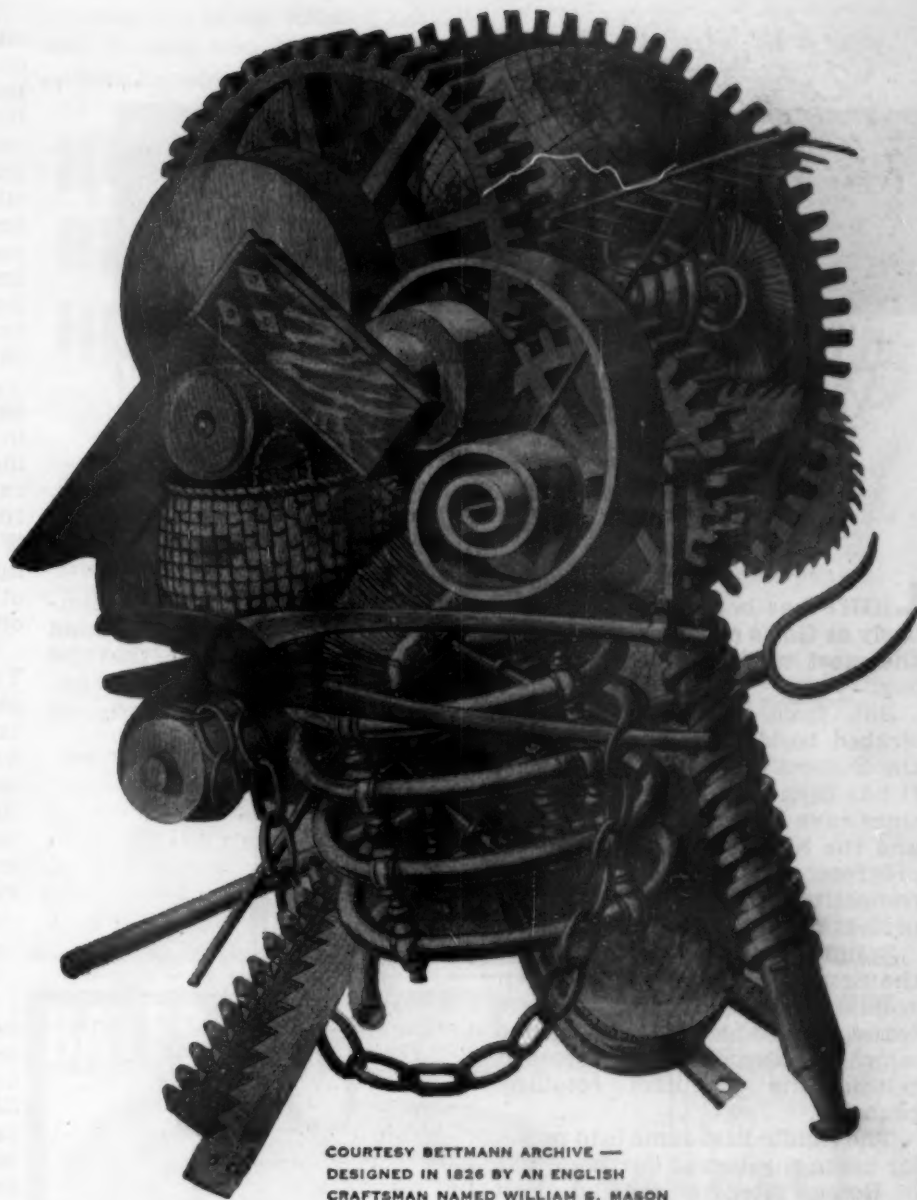
One is to ban compulsory membership in any form in any labor contract, thus restoring to an employee a right he should never have been denied.

The second is to put unions under the country's antitrust laws, thus applying to combinations of labor the traditional American policy of curbing and dissolving combinations of private power which lead to monopoly and sacrifice the public to the private interest.

END



# What makes the wheels go 'round?



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But the Chamber would get only a small fraction of its work done, if it sat back after doing research, making studies — preparing booklets, bulletins and publications, and mailing them out. That is merely the beginning.

The Chamber is an *action* organization. For instance:

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Their job is: to stimulate greater interest and action in national affairs—to help business men gain a better understanding of legislative issues; to help business men work with their Congressmen to get better legislation; and to bring back to the National Chamber the views and opinions of the business men.

It is this two-way-traffic in progressive ideas and thinking that makes the Chamber such a concerted force for constructive good in this country. For more information about the Chamber's work, write for a complimentary copy of the booklet, "A Quick Look Back—and a Sharp Look Ahead."

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1953

# light for sale

*From pine splinter to fluorescent tube is progress, but the riddle of the firefly may reveal a better source*

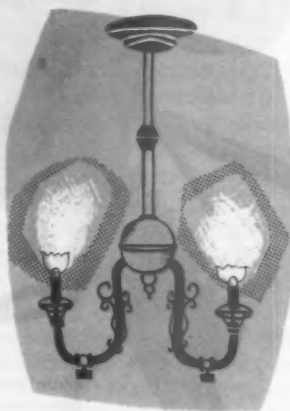
**L**IGHT has been described variously as God's eldest daughter and the most useful trick in Satan's bag.

But, from Times Square to a sickbed beside the headwaters of the Upper Congo, light is for sale. It has been a business commodity since cave men found out about it and the history of light is one of progress under the pressure of competition and stagnation during periods of monopoly.

Splinters of resinous wood were the first commercial lights. Then animal and vegetable oils were found flammable. Clay and stone lamps were produced and stocked behind the primitive retailing counters.

The candle first came into popular use in the days of Carthage and of Rome. Wicks of twisted cloth had been used in oil lamps for some time before a nameless artisan thought of dipping such a wick in

of bleached wax. In the fourth century Emperor Constantine found their light so pleasing that he ordered his capital city of Byzantium entirely illuminated on



Christmas Eve. History does not relate the fate of the Phoenician representative who booked that order, but he must have found a just reward.

In the Middle Ages commerce and business went to pot and the candle industry was nearly snuffed out. What tapers there were came from individual kitchens as a by-product of cooking. Even these homemade tallow candles were so valuable that their importance became ludicrous. It was a mark of nobility to be allowed a candle when you left the castle's great hall at night to fumble your way toward your own room.

When trade picked up again in the 1100's, candlemaking became a going business once more. The trade was split into two factions: tallow vs. wax. These two groups fought in every court that would give them a hearing and often broke up each other's establishments with hired thugs.

The tallow chandlers had several advantages. They could go into domestic kitchens on a contract basis and make candles for the household, thereby escaping the punitive taxes on tallow candles that the wax guild had successfully sponsored. By the end of the fifteenth century the cost of wax had risen to 15 times that of tallow, and even though the wax chandlers fought a brilliant rear-guard action for 250 years, they had a lost cause on their hands.

All through these centuries candles had a common drawback in the design of the wick. Emerging straight from the body of the candle, the wick would stand while the wax or tallow burned low. When the wick got too long, the light would gutter, smoke and otherwise behave badly until the offending string was trimmed.

Wicks were on a par with Mark Twain's weather. Everyone complained about them and no one did anything. Even the great Goethe, who experimented with light and consumed uncounted candles in the course of his life, was content to clear his conscience of the problem with a rhetorical couplet which, freely translated, says:

*You know what really would be slick:*

*An automatic candle wick.*

In the early 1800's gaslights blossomed in Europe's capitals. The candle seemed slated for banishment to the outlying districts. And 33 years after the first practical gaslight flared in a Scotsman's laboratory, French scientists announced a self-trimming wick.

The gaslight era of song and story hissed along happily and improvements were limited to changing the shape of the flame.

"Earth oil" from the Caucasus had become generally available as an illuminant in the mid-1700's, and when the American oil fields were found in 1859, whaling



tallow and wax to make a practical candle.

When the Roman empire went into its decline, the Phoenicians took over the candle business and improved the product, making it





ships found steadily weakening markets for their oil each time they returned from a cruise.

In 1879 Thomas A. Edison tried out his first practical incandescent electric bulb and the forces of competition began to squeeze the light business quite tightly. Owners of gas stocks trembled in 1882 when the public began to use the new electric lights. The next year Dr. Auer von Welsbach fabricated the



first gas mantle. Using the same volume of gas it produced five times as much light as the flat flame.

Like the self-trimming wick, the gas mantle came too late to save the night for its parent. Electric bulbs took over, in an assortment of types and wattages which today puzzle even the dealers. Trade sources estimate that last year about 2,000,000,000 bulbs and tubes were sold the American public. The estimated retail value of this transaction was in the order of \$500,000,000. A complete bill also shows electric sales for lighting purposes in the United States of about \$2,000,000,000 a year.

Introduction of the fluorescent tube in 1938 doubled the efficiency of the electric light. But even in the fluorescent fixture only about 20 per cent of the energy in the electricity is translated into visible light energy.

The next step is plain. Laboratories all over the world are studying fireflies, glowworms and certain deep sea fish. These products of nature's experiments can produce light without heat at efficiencies which cause bulbs and tubes to pale with envy.

Whether the firefly riddle can be solved and cold light made practical could become an academic problem if a new light source is found. From pine splinter to fluorescent tube is a long path, but there is no need to close the patent office as long as competitive forces keep searching for progress.

—A. BRYAN MARVIN

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## CIO Wants Equal Voice

(Continued from page 27)

mination has worked so far in West Germany. Unfortunately, there is no true measuring stick, mostly because this is a honeymoon period in which labor, anxious to get the second law on co-determination strengthened with the same sharp teeth of the first one, is being especially careful not to create any trouble in the coal, iron and steel industries that might stir up public reaction against the idea.

SO far, however, there have been no serious disputes and there have not been any really significant changes. Co-determination has not shortened the work week, which is still 48 hours, and although labor has demanded that increased earnings in coal, iron and steel be distributed in wages instead of in new tools to increase production, the workers in the steel industry, for example, have not had the percentage increases that workers have obtained in some other industries since the war.

Probably the greatest pay increases have accrued to the union leaders. One of the leaders of the miners' union, to cite one example, is now a director of five different coal companies, each of which pays him \$500 or \$600 a year in salary in addition to certain expenses and a small fee for attending board meetings.

It is curious from an American point of view that the workers in Germany have not really expected to be helped to any great material degree by co-determination. Their insistence on having a voice in decisions which affect their livelihoods is seen by most observers to be more psychological than material. As one American labor expert put it, "It is the projection of an ethical ideal, not a carefully worked out economic plan."

Nevertheless, co-determination has the power to wreck the free enterprise system, and as far as management is concerned, it is particularly disconcerting that the arguments advanced for co-determination have such a disarmingly logical ring to them.

German trade union leaders point out, for example, that Germany was plunged into two disas-

trous wars within a space of 25 years and that each time the great industrialists shared the dream of conquest with the military cliques while labor was given no opportunity to express its approval or disapproval. They also point out accurately enough that there has always been a wide gulf between labor and management in Germany and that tremendous cooperation is now required to get the German republic back on its feet. But they also argue that only a forced partnership will guarantee that cooperation.

The trade unions further contend that the worker's welfare is directly affected by the success or failure of the company for whom he works and that he therefore has a fundamental right to share in decisions as to how it shall be operated. A different version of the same philosophy holds that if a worker invests his time and effort in a company, he is entitled to the same voice in its operation as the stockholder who invests his money. And finally, labor insists that co-determination will insulate the



"I don't care what they say, I'm thirsty"

West German worker against Communism because it offers him, in his quest for a different relationship with management, a powerful new system to which he can be safely and productively loyal. Consequently, the theory goes, he will lose all interest in Communism.

Unfortunately, there is good reason to suspect that if co-determination fails the German worker, his resulting disillusionment will drive him to Communism faster than anything else, and in so cheerfully offering co-determination as the "safe" antidote, a surprising number of labor leaders have failed to explain why it is that the Communists themselves are encouraging the West to try it

in ever bigger and bigger doses.

The Communists, of course, know what they are doing. For 12 painful years, between 1917 and 1929, they tried virtually the same thing in Russia, and they learned their lesson well. Where Lenin assumed production would go up, it nosedived. Where he assumed that absenteeism would go down because of the workers' increased sense of participation through the workers' committees, absenteeism rose wildly. Finally, in desperation, the Central Committee of the Communist Party frantically called a halt to the plan in order to keep the nation's production machinery from breaking down completely. Henceforth, the official order proclaimed, the workers' committees would not "in any case interfere with management or place obstacles in its way."

Following World War II, however, the Russians tried co-determination again, but not in Russia. This time, with calculated shrewdness, they imposed labor contracts on East German employers who were still free. The petroleum industry, for example, was one of the industries caught, and the contract that the industry was forced to sign provided that works committees would have the right of joint decision on all questions and that any announcements by management "without consent and countersigning by the works committee are invalid."

In virtually no time at all, petroleum production began skidding and worker morale went with it. In the words of the Russians themselves, the role of the plant manager was reduced to "minor technicalities." The Soviet Military Authority was now conveniently in position to issue Order No. 234, a directive providing for management's right to exercise undivided control over a plant's operations without "petty tutelage" by works councils, as the order put it. It was a typical Russian maneuver.

ASIDE from the fact that the Russians know co-determination is unworkable and would therefore like to see us founder on it, there are many other reasons to suspect that it is an upside-down approach to the labor-management relationship. For one thing, it is axiomatic that divided authority almost invariably means compromise decisions and delayed action, both of



which can be fatal in any business. There is also strong reason to suppose that labor can keep its problems in much better perspective if it will regard itself as labor instead of trying to be both labor and management.

Whether or not union representatives can remain faithful to the union while making management decisions is another serious question.

According to a recent report issued by the United States high commissioner in Germany, West German labor leaders serving as steel company directors have in many cases become "company minded" and "consider that any criticism of steel-industry practice constitutes a reflection on their personal achievements." The reverse side of the coin is just as bad; at the time of the Weimar Republic experiment, for example, it was found that workers serving on boards of directors were generally afraid to introduce new production techniques for fear they would become unpopular with their fellow workers.

The problems are endless. By accepting the benefits and responsibilities of management, it would

"Whether a man accepts from Fortune her spade and will look downward and dig, or from Aspiration her ax and cord and will scale the ice, the one and only success which it is his to command is to bring to his work a mighty heart."

—Irving S. Olds

seem that labor is coming perilously close to forfeiting its dearly-won right to strike. The basic concept of co-determination is enough, moreover, to freeze capital, and free-flowing risk capital is obviously indispensable to a progressive capitalist economy. It is also not too far-fetched to imagine that a union might obtain control of all the companies in one industry and wind up as a giant cartel directed from union headquarters. Finally, and fundamentally, the right of a person to use as he sees fit the thing he has created or purchased is at stake.

If labor insists on sowing the seeds of co-determination, when labor-management relationships are steadily improving by collective bargaining, labor can expect to reap the whirlwind that will destroy our whole economic system.

END

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# Chuck wagon chow

A COWBOY with more jingle to his spurs than his pocketbook can still get into business for himself—if he'll just take long enough to figure out an angle. Take Ed Hodgson of Moose, Wyo. He bowed his legs into a highly successful, unusual and pleasant outdoor restaurant business, built around a weather-warped chuck wagon where thousands of Americans have had their first taste of real Western grub.

An ex-GI nudging 40, Cowboy Ed had a yen for roundup cookin'. He figured a lot of other folks might, too, so he bought a secondhand chuck wagon and rolled it into the shade beside Jackson Hole's Highway 89-187.

The chuck wagon makes a most efficient kitchen. Its tailboard drops down to form a worktable and to expose an array of drawers. Ed now has erected a canvas over his wagon and fire pits, and huge canvas tepees cover the tables.

"The tepees attract the kids," says Ed. "Many a modern kid has become jaded by television cowboys and goes more for the tepees than the chuck wagon."

Open only for dinner and supper, the restaurant has a never changing menu: potatoes and gravy, baked beans, beef stew with vegetables, roast beef, biscuits, fresh vegetable salad, canned fruit, strong coffee or mild cocoa.

Guests help themselves from big

iron pots and are charged a flat fee for all they can eat—\$2 for adults and \$1 for children under 12. Seconds, thirds, etc. are not frowned upon.

"Sometimes the kids eat a heap more than the older folks," Ed admits. "One chubby little boy ate so much he could barely waddle to the car."

All Ed's employees are old-time cowboys, who agree that wrangling humans is a lot more fun than cows. A cowboy's life at best is lonesome, but these old-timers have an opportunity to josh with more than 50,000 guests each summer.

As for Ed, he still has a lot of saddle miles in him. When he closes the flaps on the chuck wagon for the winter, he throws his saddle and boots in the big, modern trailer that is now his bachelor home, and heads for Arizona for a session of range ridin'.

But come June and the green of the grass and the big trek of the tourists to Wyoming, and Ed will be back in business. It's the little tributes that really get him, says Ed, like the incident of the middle-aged Iowa couple who dined last summer at the Chuck Wagon Restaurant.

The husband inhaled deeply, and commented:

"Best food I've ever eaten."

His wife glared at him as he hastily added: "—Outside of home."

—RAFE GIBBS



## COMPENSATION

COMPENSATION, the official term for congressional salaries, has been a recurring question these past 160 years.

Originally, members of Congress were on a per diem basis—\$6 for each day's attendance and the same amount for every 20 miles of distance, estimated "by the most usual road" from the member's place of residence to the seat of Congress.

These provisions were made under an act of 1789—time when political fever ran high and party spirit was on the rampage.

The pay voted to themselves by members of Congress was "extravagant beyond anything they could deserve by their labors," if one agreed with *Rusticus*, who gave the first session a trouncing in Boston's leading anti-federal organ, the *Independent Chronicle*, Aug. 26, 1790.

"Congress does not sit all year," the critic went on, "but are we to hire men to stay at home?" And certainly, giving them "so much more than they could earn in any business" was no way to shorten the session.

Sentiment grew steadily in favor of an annual salary. A bill introduced in 1796 proposing \$1,000 failed to pass, and the first raise did not come along until 1818. It was still on the per diem basis, but \$8 in place of the original \$6, and \$8 for every 20 miles of travel.

Not until 1856 were members paid as salaried officers, at \$3,000 a year. This amount was increased to \$5,000 in 1866 to meet post-Civil War conditions.

Seven years later the celebrated "salary grab" was written into the national record, when a \$2,500 increase was passed in the closing hours of the 1873 session. Since the measure was made retroactive for two years, it represented a "bonus" of \$5,000 and aroused such strong feeling that the next Congress restored the \$5,000 salary scale.

The "salary grab" passed into history, but congressional salaries remained at \$5,000 until March 4, 1907, when the raise that had been cancelled in 1873 became effective.

It was 1925 before the pay of members of Congress was increased to \$10,000. The Reorganization Act of 1946 set the latest compensation scale—\$15,000, made up of \$12,500 salary, plus an expense allowance of \$2,500.

—MAUD M. HUTCHESON

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## nb notebook

### A check on the company

EFFORTS to make annual reports attractive as well as informative have become the rule with many companies in recent years. Some have been production numbers with art work and typography equal to that in well made gift books. But, offhand, it is difficult to remember one so simple and effective as that for 1952 which Westinghouse Electric Corporation has just issued to its employees.

The report simulates a check-book—both in size and treatment.

First page carries a deposit slip showing Westinghouse income for the year. Succeeding right-hand pages are made out as checks, payable to "Suppliers of materials," "Those who loaned us money," "Tax collectors," "Employees" and so on.

The check stub shows how the company balance decreased with each payment, and also enlarges somewhat on the purposes of the payment—"replacements" for the depreciation fund; "future job security" for debt retirement.

Left-hand pages of the book augment the checks' story in more formal language.

The book's handy size and unusual format make it almost impossible not to read it—which, of course, was the basic idea.

### Airlift for businessmen

IN WISCONSIN the "Businessmen Airlift" has just made its debut and everyone is happy about it. What happened was this:

Wisconsin's 32nd Infantry Division, National Guard, was in training at Camp Ripley, Minn. The Guard felt that it would like the employers of the young men in training to see just how they were spending their time in camp. But most of the employers were busy men and Camp Ripley was far from their homes.

In this spot, the dilemma was handed to Col. John H. Batten, commanding the Wisconsin Wing, Civil Air Patrol. Could his patrol

airlift the businessmen to Camp Ripley? The Patrol could.

So, some 200 employers were gathered from various places in Wisconsin one morning, flown to Camp Ripley to spend a day with the troops and flown home again that evening.

Everybody agreed the affair was a great success. The employers felt they had learned something, the Guard was pleased with the good will engendered and the Air Patrol is preening itself on a job well done.

### Jobs for the aging

ELDERLY persons who find it difficult to get employment in other lines are probably just the sort of employees the retailer is looking for, according to a report by Sen. Thomas C. Desmond, chairman of the New York State Joint Legislative Committee on Problems of the Aging.

The report, based on a survey covering 200 stores ranging from city department stores to small town shops, challenges the assumption that old folks cannot do a good sales job. The reporting retailers insisted that elderly persons excel in reliability, steadiness, turnover, morale, customer confidence and eagerness to please.

"Older women make much better sales persons than younger women," one merchant said. Most others reported that their policy was to keep all their employees on the payrolls as long as they were willing to stay.

One qualification crept in, however: the retailers reported that elderly women do a better job than elderly men.

### Bank turned teacher

IF SOME 14,000 school children in the city of Tulsa and Tulsa County, Okla., do not understand the free enterprise system it is not the fault of the First National Bank and Trust Company.

The bank has put the story before them in a readable, amusingly illustrated booklet, "Think First



### About Your Bank and How It Helps Tulsa Tick."

Prepared at the suggestion of R. Otis McClintock, First National president, the little volume was sweated out by N. M. Hulings, vice president in charge of the bank's public relations committee, with the cooperation of the Tulsa public schools. In language scaled to the eight- to 14-year age level, the booklet tells how banks help to make change in a candy store, help the grocer and the farmer prepare food, help dad keep his job and help pay the firemen and the policemen.

Pretested on scores of young readers before it was released, the booklet concludes with a strong message to children to use their bank for savings and to learn early about the value of money.

With the thought that the message, with slight changes, could be adapted by almost any bank, First National is making copies available to other interested banks.

### To school on company time

EMPLOYEES of the International Minerals & Chemical Corporation can go to school on company time under a plan announced by Louis Ware, company president.

As Mr. Ware explains the unusual setup, all regular employees who have one year or more of continuous service are eligible to apply for assistance in paying for collegiate, professional or semiprofessional education relating to fundamentals of their work. The company will pay half the tuition, registration and laboratory fees for such courses in accredited institutions and individuals taking graduate or advanced courses will also be allowed up to six hours a week to attend classes without loss of pay.

### Red torch of death

VULCAN who, according to mythology, forged the weapons of the gods, is now at work forging safer highways in Birmingham, Ala., through the activities of the Junior Chamber of Commerce.

A statue of the god — second largest statue in the United States — stands on a 125-foot tower on Red Mountain, visible from almost any place in Birmingham. High in his hand, he holds a torch.

When the torch glows red at night, Vulcan and the Junior Chamber are announcing that Birmingham has had a traffic fatality within the past 24 hours. When it burns with a green flame, it reports 24 hours of safe driving.



## Pete Progress and the man who was all wet

"Been to a shower, Charlie?" asked Pete Progrès.

"It's no joke," sputtered Charlie Fuller. "Crying shame that a tax-paying citizen should get soaked watching a fire."

"Sounds like a logical spot," said Pete.

"Leaky hoses all over the place," complained Charlie. "Old equipment; not enough firemen. Hope my house never catches fire."

"If you're so burned up," asked Pete, "why not do something about it?"

"I'm just one guy," moaned Charlie.

"That's right," said Pete, "but when a

lot of guys get together like they do at the chamber of commerce you'd be amazed what gets accomplished. Down there they've got a great insurance policy — *give rather than take*. When a lot of people get to giving rather than taking, their community springs to life with better schools and parks, improved traffic conditions, more industry — oh, yes, and leak proof fire hoses."

"Hey, Pete," asked Charlie, "will the chamber take in old soaks?"

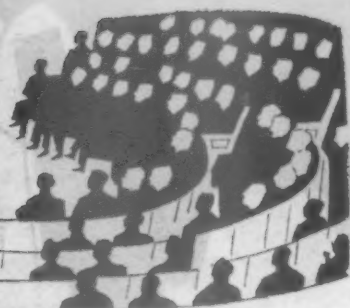
"Who, for instance?" asked Pete.

"Me," said Charlie, "I want to join up even before I dry off."

**Your chamber of commerce is working for you. Why don't you help them?**



# DON'T "LEAVE IT TO THE BOYS"



**T**HE PATH of sound national legislation always resembles an obstacle course. The usual reason is that people with varied interests want the final law to reflect their points of view.

Today the obstacles are still there—but the reason is different. Congressmen complain that their efforts to draw up sound bills are hampered by an unexpected national naïvete. Too many of those who worked hard in the election and rejoiced in its outcome have now relaxed under the assumption that the future will take care of itself:

"Now we have a business administration. The boys will handle it."

This attitude is based on the highly unsound premise that elections change the course of world events. They don't, as a quick glance at the current situation demonstrates.

*Communism is as much with us today as before Nov. 3.*

*Federal tax laws have not been changed.*

*Unions have not relaxed their efforts to repeal the Taft-Hartley Act.*

It is ideas that change world events. Elections

merely change the personalities who act on the ideas.

It is true that the Administration now in power is more receptive to business ideas than any in the recent past. But it cannot act on ideas unless those ideas are put before it.

The last election, therefore, represents an opportunity rather than an accomplishment.

Without a continued organized effort to present the business point of view the opportunity is lost.

Those who oppose the business point of view have already shown an active understanding of the situation. Accepting the election as a challenge, they have adjusted their tactics to meet the new conditions and have redoubled their efforts.

As the new session of Congress opened, for example, labor representatives began calling on the legislators to suggest "minor" amendments to the Taft-Hartley Act. For the first time since its passage, this whole act is open for amendment this year. Previously only specific sections were considered for change.

The total effect of the "minor" labor amendments would have been to rewrite and emasculate the law.

Had business not been organized and ready to present its own co-ordinated plan, any effort to save this law would have had to be a scattered defensive action against ideas already under consideration.

The field of federal revenue offers an equally good example of the need and effectiveness of organized presentation of sound thinking.

The Chamber of Commerce of the United States recently sent to Congress 86 specific recommendations for changes in our tax laws. To obtain the recommendations the Chamber had sent thousands of questionnaires to businessmen, asking their views on what portions of the Internal Revenue Code needed revision.

The congressional joint committee on internal revenue taxation was so enthusiastic over the Chamber's original plans for the questionnaire that they gave it official endorsement. After the Chamber staff had correlated the replies, Rep. Daniel A. Reed and the staff of the joint committee spent an entire day with Chamber representatives to become better acquainted with the proposals.

By such means business thinking can be brought forward to guide national policy to everybody's eventual benefit. But, unfortunately, good ideas must be presented before they can be considered. The citizen who feels that the nation is now on a new course because he voted that way has actually only hired some workmen. True, they are able workmen and willing.

But they can't do a job for him, unless he shows them what he wants done.